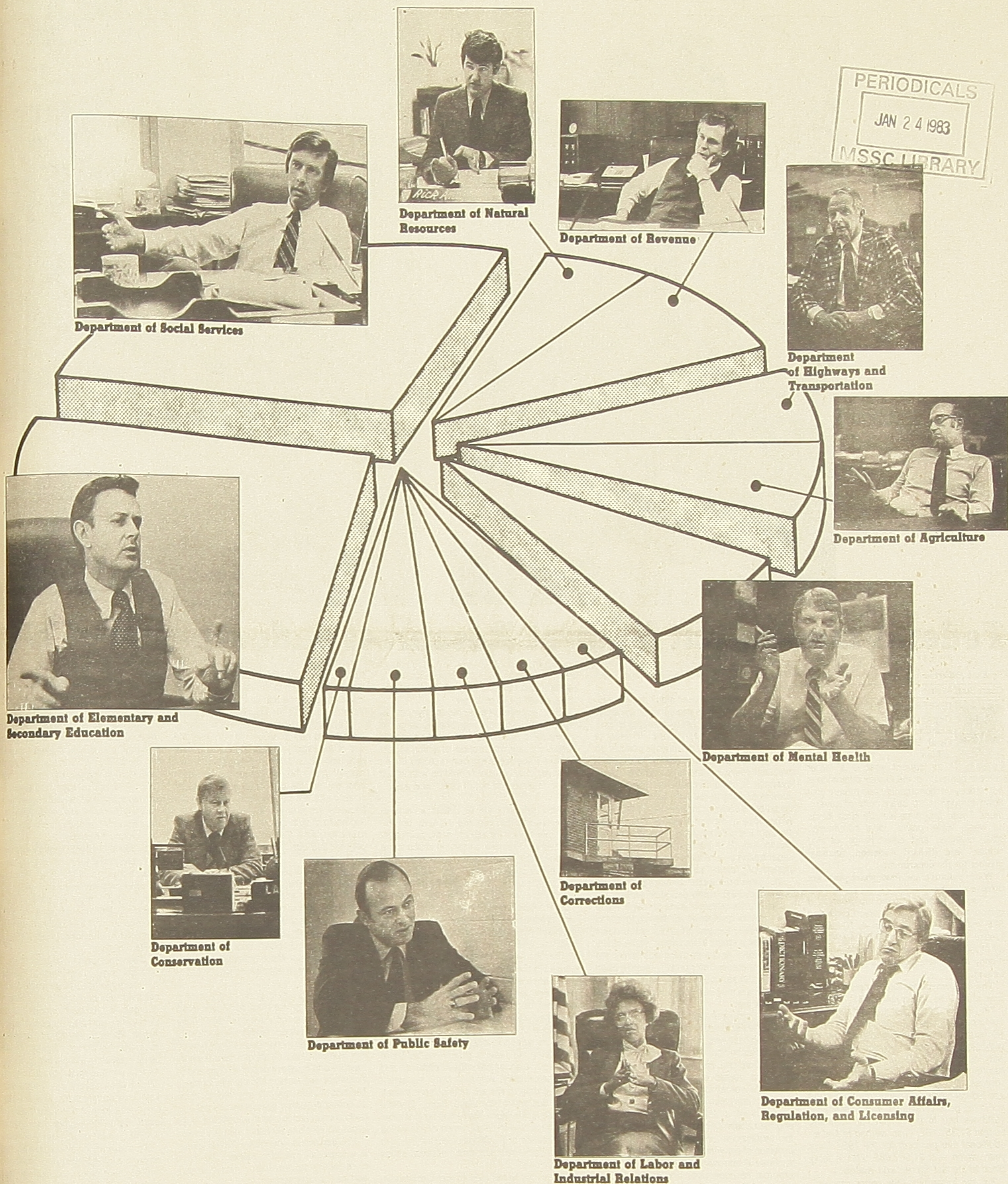


The Chart ... at the capitol

Vol. 43, No. 14

Missouri Southern State College, Joplin, MO 64801

Special Section



Everyone in state government wants 'piece of the budget pie'

MISSOURI CITY—Everyone suffers, it seems, when the state is in financial trouble—state employees who might find themselves "state employees," the public who might have to do without some services on which they've come to depend, and even state legislators, who find themselves the object of much courting and bestowing of favors. They're the ones who have to make some of the hard decisions about where the money is coming from and where it's going to, and they have 13 heads of state departments and agen-

cies who each want his or her "piece of the pie." The plight of higher education has been chronicled previously by The Chart. Those are the budget cuts that perhaps most directly affect readers of this newspaper. Faculty and staff members find their paychecks are not increasing, that badly needed supplies and equipment are not being purchased, and that cuts are having to be made in programs and services. Students suffer as a result of some of the cuts, but they suffer, too, in the pocketbook in the form of increased fees and surcharges.

So if higher education wants a

larger "piece of the pie," with whom does it compete? With agencies dealing with conservation, with corrections, public safety, mental health, elementary and second education, with revenue, with agriculture, highways and transportation, social services, natural resources, consumer affairs, and labor and industrial relations.

Most agencies are headed by political appointees of the governor, and speaking with these individuals is to speak with those individuals who are most closely involved with running most of the state's activities.

One can come away from two days

in Jefferson City visiting with the individuals and have the impression that for most of the state agencies, the budget cuts are helping them. One hears a great deal of talk about "tightening up state government, cutting out the fat, and not touching the muscle."

Except, that is, when one talks about human services. These areas, it appears, are the ones most hurt.

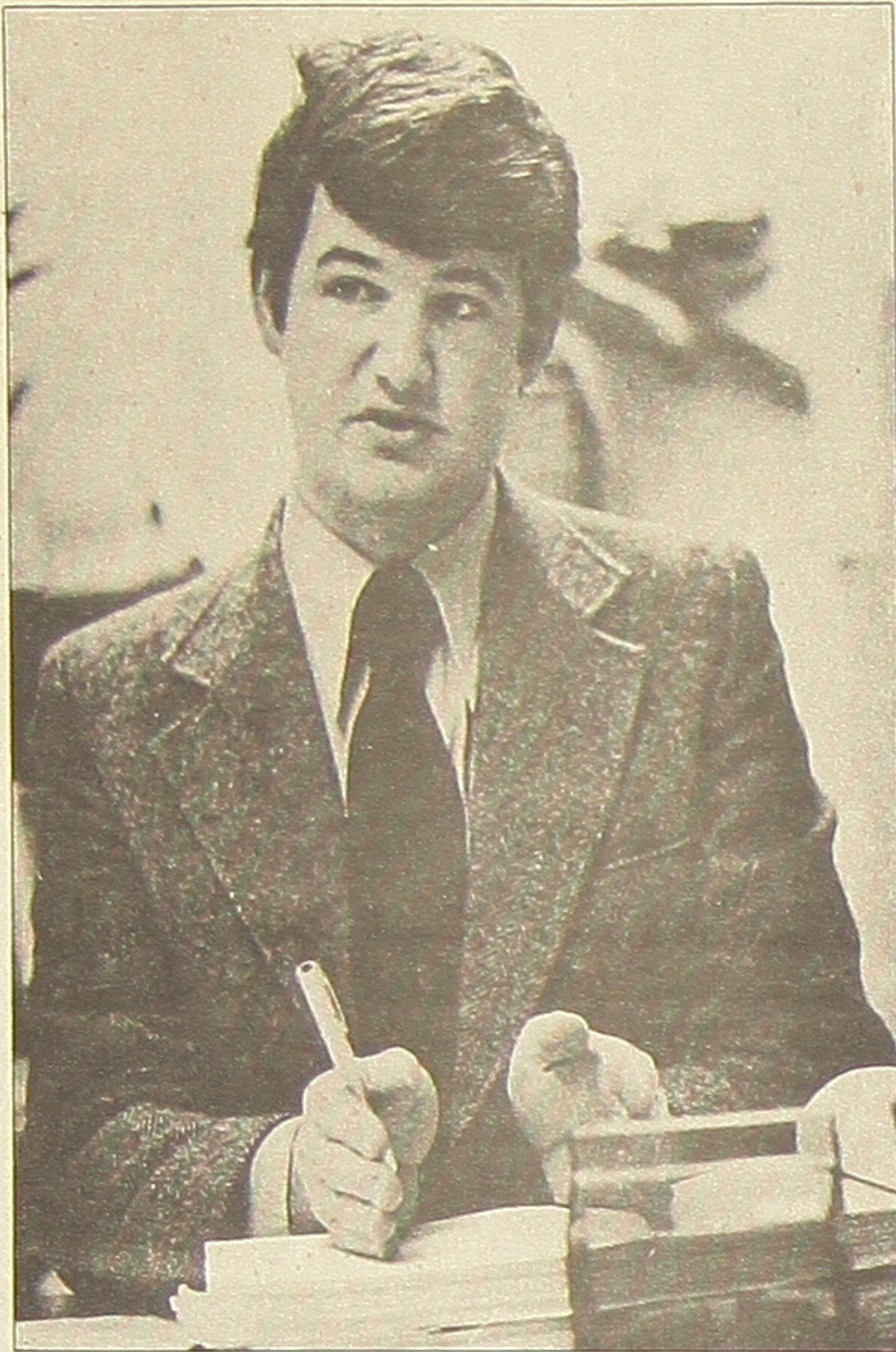
For three days in early January eight members of The Chart staff scoured the state's capital city speaking with agency heads and legislators. They were interested in knowing how the state budget cuts had in fact af-

fected agencies other than higher education.

Staff members were on the floor of the Senate when it convened for its opening session of the legislative year. Staff members were on the floor of the House and in the press gallery as the House of Representatives held its opening session.

What follows in this special section is a different perspective on the state's financial crisis. And, inasmuch as The Chart, has its own financial problems, all travel expenses, including meals, lodging, and gasoline, were paid for by the assistant adviser to The Chart, M. Clark Swanson.

Department of Natural Resources



Rick Anderson



Federal monies put Natural Resources budget ahead of 1982

By Barb Fullerton
Chart Staff Writer

MJEFFERSON CITY—In the Department of Natural Resources, the total budget in Fiscal Year 1982 was over \$36 million.

"Our current year is a larger number but much of the money difference is not money in our agency but money that flows through us to other units of government. These programs include such things as waste water grants, local community, state revenue, and other things of that nature," said Richard Anderson, financial planner for the department.

Water pollution and waste water works are massive activities.

"These programs moved up from \$1.8 million to the current year which projected \$18 million. There is about a 10-fold increase. The 1983 figure is \$61,940,000. Not all of this is within our department, but it is money that is handled by our department," he said.

The department has had budget cuts that have affected the agency since 1981.

"In 1981 we had 27 per cent cut away and 10-13 per cent until the year 1983. This year we had a 10 per cent withholding, and the withholding took place two months ago, and with our agency 10 per cent is in the neighborhood of about \$1.3 million. Other sources of funds such as the water bonds and federal money are part of our budget but not in the general revenue. In the fiscal year 1983 we had to find within our operating budget \$1,357,162. Then we had to find an additional five per cent for the 1984 fiscal year, which was \$1,967,885. This is fairly close to the last figure," said Anderson.

For the immediate time period involved, there are not any increases in fees for the public.

"There have been bills presented, and if the legislature passes them and the governor signs them, they might provide other sources of general revenue for the department, but those are far-away things and until they are accomplished facts, they are not the kinds of things we can budget on. In future years they may offset it but for this year and the coming year, there's not much hope. They might happen and that would be wonderful, but we can't bet on it," said Anderson.

There is no place or time in the programs to add or improve them.

"It's a matter of keeping the knife away from the essential ones and if there is a place where something might be able to be reduced in size, it can still be effected. That's where the cuts have been targeted. I don't think there's any place left in our agency that we can cut back without decreasing services in a significant way," he said.

The department has been hit by one-fourth

of its agency being removed over several fiscal years.

"I'm sure the first year didn't seem easy. It's far easier than this year. I heard someone say once when they were referring to corporations that after every five to 10 years of explosive growth that it is always good to go through a couple of lean years. They are not pleasant years, but the organizational effectiveness is good because an organization grows quickly and takes on some things that could be done more smoothly or differently because of money to cover them. When the tight years come, the organization cleans house and it's a leaner and more effective organization as a result; then it is ready for a period of growth," he said.

He doesn't think that the state government is going through a new period of growth.

"We have certainly gone through those few years of decline where the rough edges have been smoothed off and cleaned down to the bone. I think that there is more activity for the dollar now than there was before the cuts were made. Unfortunately, there's been a decline in services," said Anderson.

There was only one program cut about this time last year.

"The Dam Reservoir Safety Program was cut for the fiscal year 1983. This affected the chief engineer who stayed with the program but he couldn't have a staff and we couldn't really afford him. He chose to leave and left behind a couple of staff members. They could do something but only a minimum amount, and they had worked under the guidance of a chief engineer. The chief engineer doesn't exist so they went to one of the professional engineers in geology who provided them with supervision. Only at the expense of borrowing his expertise from the program he supervises and at the thought the legislature would provide us the money for 1984, we can put this program back together again," said Anderson. "We don't know yet how they are going to treat us in 1984, but it's certainly smaller than the minimum program and it's reduced its effectiveness."

There are two expense budgets in two catalogues: personal services for people and expensive equipment.

"The expensive equipment is so small it doesn't really permit them adequate time and field to do the kinds of on-site inspections it takes to do the work, so it's been a real loss in performance because of the lack of money to operate this program," he said.

The cost of disposing the dioxin in Missouri varies and accumulates daily. "We were trying to put together a resolution of that in late December and at the time there wasn't any evidence. But now with Times Beach coming on the issue, there was the entire community having to be cleaned up. So one estimates cost of today would take care of the dumpsites. It wasn't too long after that, information came on Times Beach and its

clean up efforts would be huge, and tests performed on other places showed the problem would be even larger.

"So the scope of the thing is beyond putting a number on it at this time till we get to where there is definitely information and it's possible to say what course of action should be taken and for these communities it isn't clear yet. Any number I come up with would be incomplete and out of date," said Anderson.

Their priorities are to deliver services as respectable as they can and maintain the services they have. "People are at the point right now where they are becoming much more aware of the environmental issues and how they effect public health. It was like that was the good stuff, if you wanted to do it, you didn't have to do it. People are seeing a closer relationship with protecting the environment and public health. So we try to maintain our services through the budget cuts," he said.

They are hoping some of the things they requested in the fiscal year 1984, will be there so they can continue to provide services and explore new environmental issues. "An important item for public health that effects natural resources aspects is we have some reason to believe that organic compounds such as paint thinners and degreasing compounds are finding their way to ground water. There aren't any standards for these organics and the water supply. We don't know the extent of the problem. We are asking more money to go out and study these things. General revenue is very tight. We're hoping that other people will see the importance of examining the presence of the things so we are trying to keep public health and environmental issues number one."

Their cuts haven't led to any dismissals in their employment so far this year. "We are optimistic that we can make it through 1983 without lay offs but it may be some of the things that have to be done for us to make it. We don't have the answers even though we have six months left before the year expires. There are some actions such as the division of parks selling some unused or used equipment and if they get the money for selling these and use it for other activities, this can be use to tide them through 1983. If they can't do that, the difference will come out of some other action."

But if all actions are explored and nothing can be done, then there might be lay-offs. "All we can say is we don't see any reason for people expecting to be laid off and time will tell. We won't know until the end of this fiscal year. It's one of the tightest years. It's not like anything we have been through," Anderson said.

Cuts historically have meant that they can't do the things they would like to be doing or have been doing. "Maintenance of our parks, providing services for people who visit them, and providing adequate planning for

laboratory analysis for natural resources are just a few. If some of the things we are hoping for to be done this year can't be done. Take for example the division of parks.

"It's possible if there are a great number of people who had to be laid off very near the end of the fiscal year that there would be a reduction of services in the parks and we haven't got to the point to a plan we can at least explore the cost of savings if we did close parks. It's not the time to be doing it because the end of the fiscal year is the beginning of summer when everyone wants to use the parks. It's conceivable that it could get that bad but we don't expect it to," he said.

The way some services are lost are not the kind of things that stand out in his mind. "If we don't have someone inspecting dams, nothing would happen day by day. But when a major storm comes through and takes a dam that wasn't up to par, the loss of that state service is clear only during that catastrophe or in the days after. Until that day, it's not clear that you have lost that state service."

"If we can't study organic compounds in people's drinking water we don't even know what could be found if we can't do it. If we aren't able to inspect land fills, we may not know until a year or two later that the new effect was that land fill should have been inspected and it wasn't operated right and to that effect was leaking into the environment. The loss of state services now may not show up until later years because we are not able to do a complete job so it would be a much larger job to clean up later," said Anderson.

The department does have federal money as a source of operation money. "We have more federal support than we do state support as a department."

"For instance, in the current year we have about 10 million in general revenue and 28.9 million in federal. So if we didn't have that federal we should be in lack of programs. Activities such as the division of energy has six million. A very large percentage of that is federal money. If the federal money had not been there, we could not provide most of our services," he said.

During the fiscal year, money comes in at different times. "We don't know what the federal appropriations are until they come in. Revenue sources are never known until they arrive. Things such as flexibility of federal funds extend budget cuts. So we never really know where we are until we get there. We're close enough to the wall that we don't know how we fare in the fiscal year until it's over. This year we will only know when we made it when we are there," said Anderson.

There are many different consumer fees that come into the department. There are service funds to buy maps or reports to study and there is a charge fee set aside for publications to be reprinted. "This fund sustains on its

own. When the balance gets to \$200,000, anything left over goes to general revenue. It collects a lot of money," said Anderson.

There is the Clean Water Fund for water discharge permits which goes to the fund and it is estimated around \$1 million for the 1983 year. Some activity for the pollution is supported by this fund. Waste Water Operator Certification is fees for application and renewable certification which makes around \$15,000. Application charges fees for permits and this is the general revenue.

Land acquisitions repairs lands that are fully reclaimed after mining takes place. This brings in \$270,000. When the transfer property from one owner to another and a \$1 fee must be paid at the transfer. This money goes to the general revenue but it is originally set up to pay the costs of the land survey program.

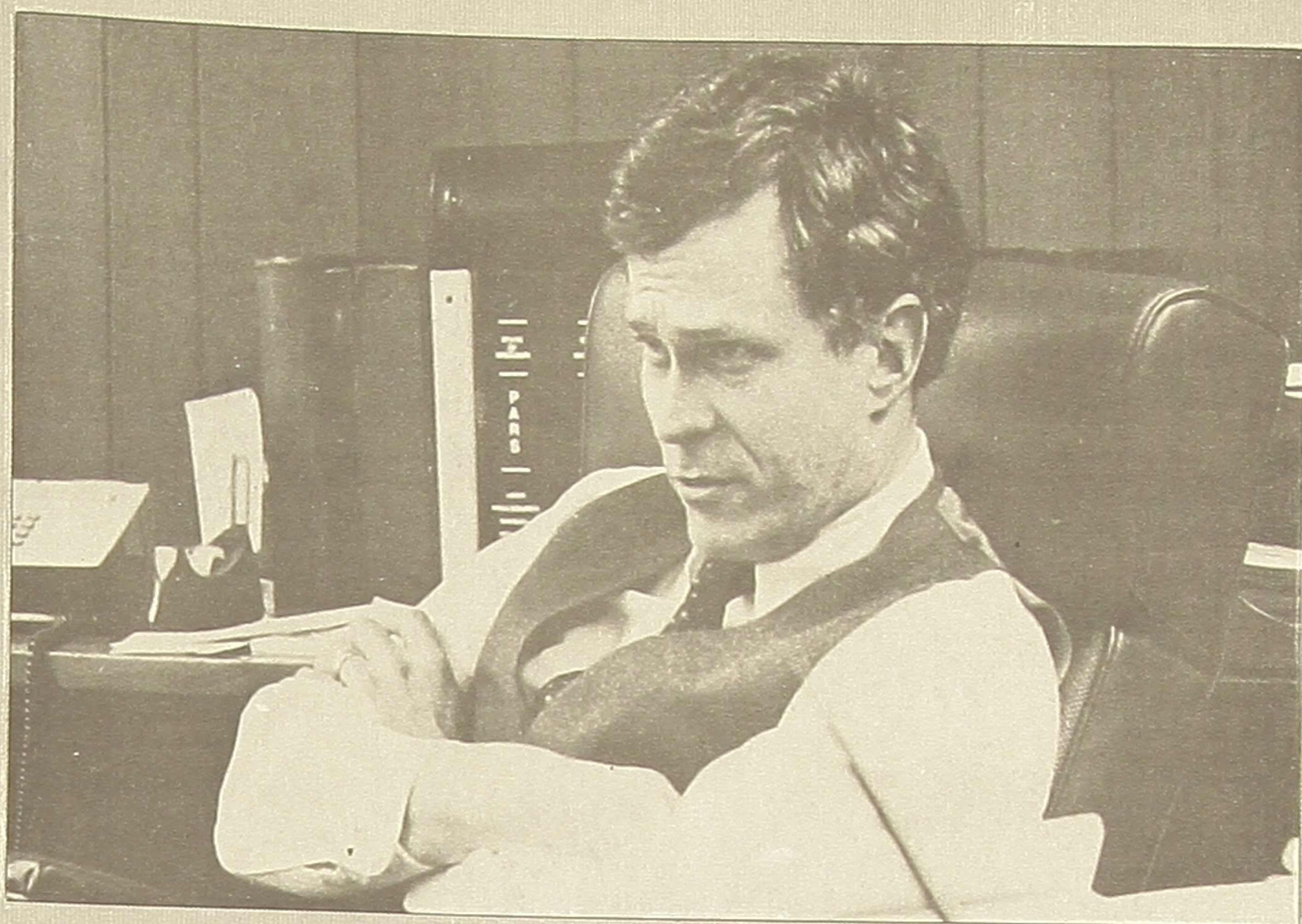
"Fees that come to us and fees that go through us go to the general revenue. Funds are the hazardous waste fund to set aside for parks from camping fees, charges for running concession stands at state parks, and fees for people who use mines. Some of the things that we're looking for in 1984 is that the legislature will be selective that will permit us to transfer interest from the water pollution control. This is land money given from the local communities for waste water. There is money in that fund that is not used. Before they give it to someone to collect interest on it," said Anderson.

Their agency suggested that \$1.4 million interest in 1984 be transferred to them. There will be more money available to the general revenue to help the state cash flow. "I hope that a bill will pass to provide this money."

With the \$600 million bond issue, they are hoping that there is a portion within the bond issue for a variety of activities. "One of them is the division of conservation. The department of conservation has a neighborhood of \$50 million that will come to the parks," he said.

Within this bond there are variable things on what kind of projects will be done. It could be a very important way to improve our parks and provide better recreation opportunities for the citizens. These are times and we all have to reduce our expectations of what the government can do and at the same time there are things the government should provide for the people and we hope that the citizens will be legislators to continue to provide these services through state agencies to public health and provide recreation opportunities and to various other departments that are involved."

Department of Revenue



Richard King

Revenue getting the job done in better fashion under King

By A. John Baker
Editor-in-Chief

MJEFFERSON CITY—As the revenue gathering agency for the state of Missouri the Department of Revenue was exempt from budget cuts, but after six months under the leadership of Director Richard King the department has become more effective in collecting taxes and letting people know that the job is being done.

Being exempted from budget cuts is expected considering the economic situation of the state and the important role the Department of Revenue plays in generating monies for all state agencies. This does not mean that the department is not tightening its belt, because it is, but it is also working on better management techniques to strengthen its image and effectiveness.

"We have scaled back where we can so that we don't go over budget and we have cut back significantly on the request for supplemental appropriations that we would have used to process tax returns during the tax season," explained King.

He went on to explain certain methods that allowed the request cutback. "We get almost two million tax returns through here in a three month period between January and April. To do that we have to hire a number of temporary employees. This year rather than doing so much of that we are trying to find ways to increase production with the number of employees we have. And specifically we'll probably do some double shifting. We may go to a 10-hour work day. We still have to pay an hour for an hour's work, but having experienced employees working longer hours should help significantly with productivity."

King went on to mention that the department might do some "limited contracting" with organizations such as Kelly Girls and Manpower. These people were fine for certain tasks such as envelope opening, he said, but his trained personnel would still be needed for the major portion of the work.

When questioned about the recent emphasis on the collection of delinquent sales taxes King replied, "...there was no collection."

He then outlined the procedure of collecting those taxes owed to the state.

"Basically the governor requested and the legislature made some funding available—that was point one.

"Point two was to take some of the resources we already had along with some of the new money and set up a functional component of the Department of Revenue to collect delinquent taxes literally. About a year ago at this time resources had been so drained, ...they quit doing it."

"There were no notices going out, in the sales tax area at least, for taxpayer delinquency. We had to hire people to do that. We had to set up procedures for them to handle it."

Three ways of identifying delinquent taxpayers are used; those who do not file a return, those who file a return and do not make payment, and those who are audited and found to under-report their income.

Upon identifying the delinquent taxpayer the department first begins sending notices and eventually if the tax is still delinquent after several methods of collection fail, a suit is filed.

After judgment is taken, a number of options are available to collect the tax, one of which is levying execution against assets.

Another factor contributing to the effectiveness of the Department of Revenue is automation.

"We have computerized. That was under way when I came in," added the director.

"We had the good fortune of finishing it this last quarter, the first of November. So it is possible to do a lot of things just in terms of record keeping we couldn't do before."

Improving the image of the Revenue Department also plays an important role, believes King, but he also feels that the department has not undergone any major changes in this area, just the use of better management techniques.

"It's both image and substance. You've got to have the substance. You can not improve the image of the Revenue Department if you keep screwing up. A lot of people have commented on the fact that we have had a high profile public relations selling job to do on the auditing and the delinquent accounts collections, because it does a lot more good if people know you are doing it. But I think it has been overlooked; we haven't had a major snafu."

"We have been pretty efficient and that efficiency is not accidental. There are a lot of fairly good managers that handle various aspects of running the Department of Revenue that have done a good job of changing things around and making sure we

didn't fumble the ball as often as we used to," clarified King.

He went on to explain that talking tough must be backed up with few mistakes in order to establish credibility.

"If you talk tough and go after people, and you're right, and you catch them, then word gets out. And that is where we are starting to get now. We are starting to be believed when we say we are going to catch people," King added.

Improvements that have been made in the Revenue Department make it hard to tell exactly how much economic growth Missouri is experiencing. Looking at growth in neighboring states gives us some kind of picture.

When discussing the state's increased revenues as compared to last year King said,

"...It would be hard to lower public perception of the Revenue Department. There is only one way to go...."

"Clearly some of it is collections. Kansas for instance; they haven't heard about December, but through November it was absolutely flat. They had a no-growth year."

"Illinois was growing at a rate of about one percent. We've been growing, as you say, I think 8.7 percent for the first six months. At the end of November our growth rate was about eight percent. The only variable that I know of in Missouri to account for the quantity of difference in revenue growth is the collections efforts that we've had underway and the resulting voluntary compliance with revenue laws and actual collections."

King also identified the fact that 50 auditors had been added to last year's base of 90, and that "those 50 auditors have increased collections 89 per cent during this year."

"All of that leads me to believe that a significant portion of the increase is administrative, but I think we may have a fortunate coincidence occurring because the first six months what we have done is give the state a head start."

Operation Tax Net is another program significantly adding to the Department of Revenue's increased collections. It is designed to keep "honest people honest."

"We are making a door-to-door survey of businesses to make sure they have a sale

tax license. We ask to see their sales tax license, a copy of their return for the last month, and a copy of the withholding tax number to make sure they are taking taxes from their employees and sending them in to us," explained King.

At last count he said 500 businesses were found that did not have one of the documents when audited.

Individual taxpayers will be under more scrutiny than before, also with the announcement of an Eliminate Tax Cheating (ETC) program earlier this month. This program is a crosschecking system that involves a matching of tax documents with records such as hunting licenses, boat registrations, personalized license plates, and various other sources of information.

King added, "We are also checking records that tend to indicate income that often isn't reported."

The emphasis on tax collections can only mean one thing to the state, increased revenue, and King sees more of that kind of emphasis for the future.

"I think when we get it all put in place later, this year will be a five or six million dollar revenue pick up. We are going to keep working on things like that. I think it will keep revenues fairly strong," he said.

"The premise is, and I'm afraid it's a valid one, a lot of people cheat. The more we can do to establish the credibility of the Department of Revenue the less likely they will be to cheat. And if they quit cheating we are going to get more money."

King's personal effectiveness from within the Department of Revenue is attributed to several different factors involving his previous position as Governor Bond's executive assistant. King "ran the office for him basically."

Describing how that position helped him in his operating of the department King said, "It helped really from a couple points of view. One is I was right in the middle of state government there. It was very low profile involvement, but I knew everything that was going on. I had a chance to evaluate the

other department directors as well as the director of the Department of Revenue, what they did right and what they did wrong. I knew a lot about how I thought a department ought to run. I've drawn on that year and a half I had to observe heavily."

"It caused me to have relations with a lot of other people in state government: legislative leaders, people in the office of budget and planning, office administration, that are much more cordial, much closer than they would be had I come down and started out as director of Revenue."

"Ed Dirck, a very powerful leader in the Senate, I used to work with over there as a kind of adviser, I wasn't participant. I think legislators tend to be a little suspect and should be of people who come to them asking for things. I worked with Ed there; I was in a staff position. He wanted information out of the administration; I'd get it for him, give it to him, developed a personal relationship and confidence that could never have developed had I been Director of the Revenue from the outset. I think that is the second thing."

"The third thing was an overview of, and an objective one, of the department, its strengths and its weaknesses."

"I guess the reason I came over here, it got to the point that I knew more about the revenue department than anybody else in state government that didn't work here because of the problems it was encountering and the fact that the governor was sending me constantly. 'Well, check out what the deal is with the computer, why won't it work? Check out what the problem is getting out returns this year...'"

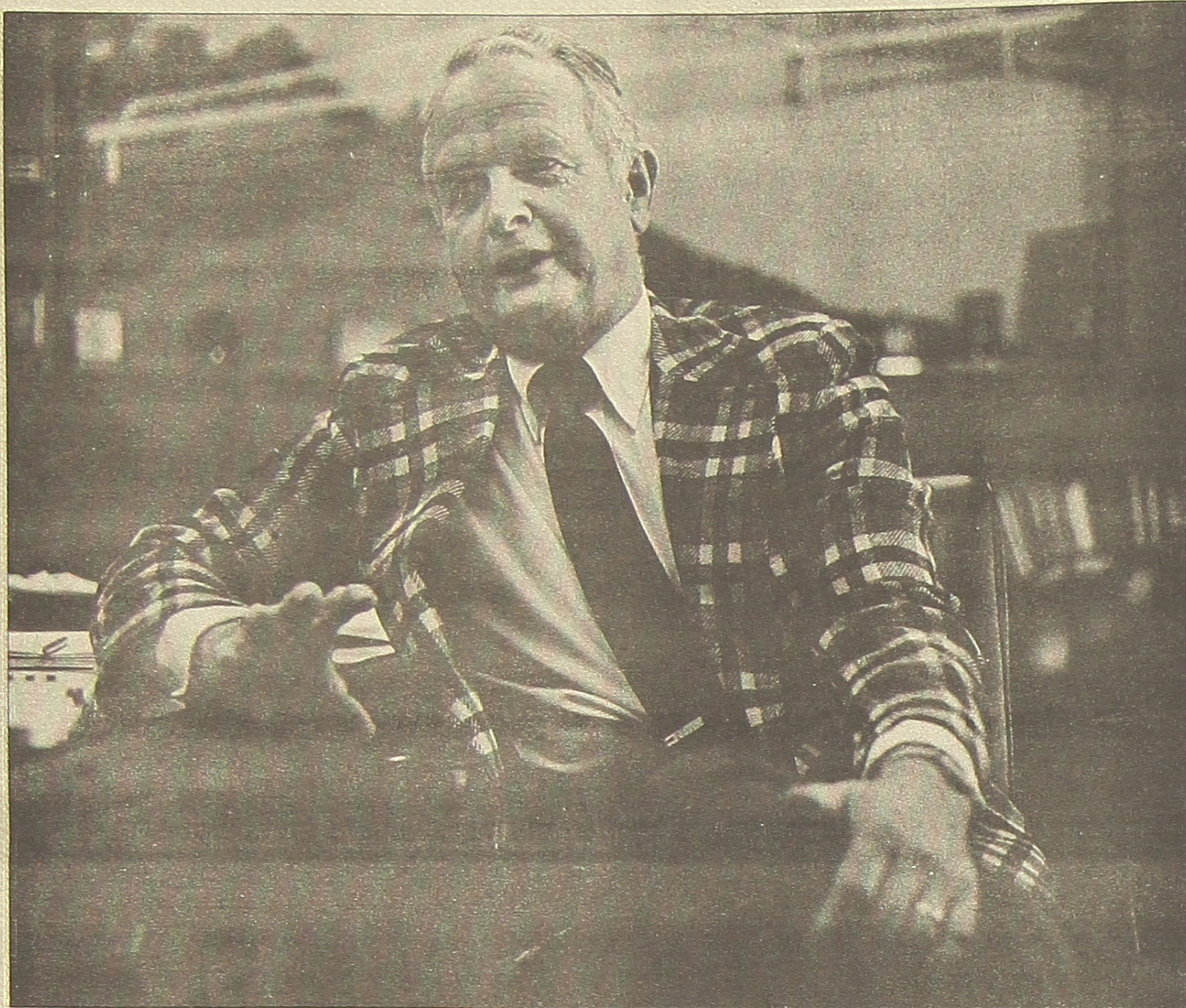
In addition to these factors is one more and possibly the most important one. It deals with the image that King is trying to improve.

"There is one other factor that I've been grateful for more than once. It would have been hard to lower public perception of the revenue department. There is only one way to go."

"By the time I came, the consensus was that the department of revenue had serious problems. So I could say, 'Hey, we've got serious problems and I want to fix them like this.' And there was never any argument about whether the problem existed; often there is. Often the legislature says, 'That's a waste of money; there's nothing wrong with the way they go after delinquent taxpayers.'"

"I didn't have that to contend with and that made it a lot easier than it would have been other wise."

Department of Highways and Transportation



Robert Hunter

Additional revenue needed by 1984

By Kelli Pryor

Chart Staff Writer

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JEFFERSON CITY — Even though general revenue budget cuts did not affect the highway division of the Highways and Transportation Department, without legislation generating money soon, the department faces serious financial straits by 1984, says Robert Hunter, director.

Because of the rising cost of maintenance and lower gas consumption, [the main source of revenue for the division], Hunter says the department is operating a "decreasing program".

Despite the fact that the gas tax, Proposition B, failed in the general election last year,

Proposition C, the one-cent sales tax, will provide the department with \$14 million.

Earlier, Missouri voters overrode the legislature's passage of the Big Trucks Bill. Now, a federal highway funding bill mandates that states allow 80,000-pound trucks or they will receive no federal funding.

The state legislature needs to pass a gas tax or license fees tax to raise money for matching funds and a big trucks bill to receive any federal money, says Hunter.

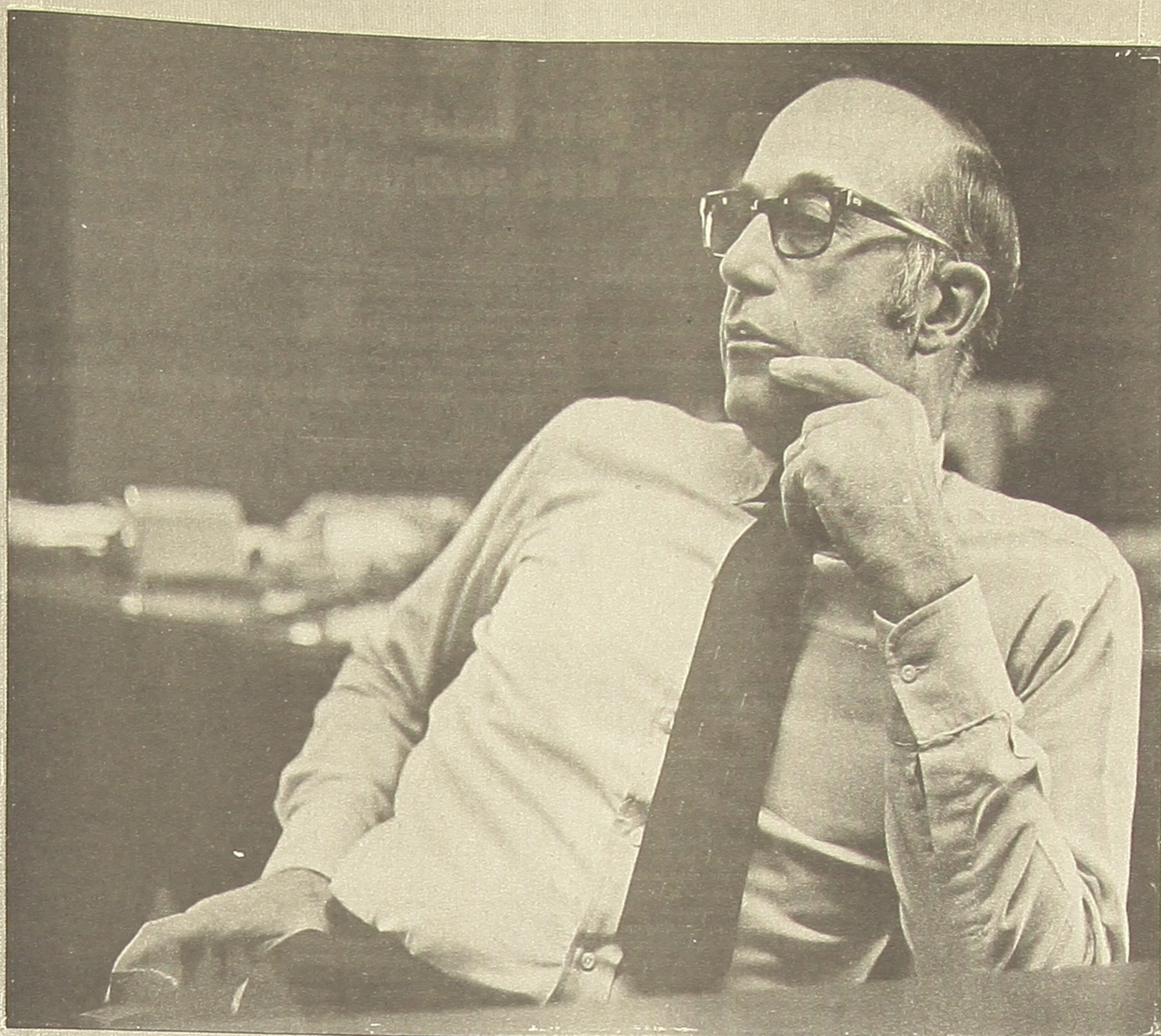
Passage of the federal law requiring states to allow big trucks perplexes Hunter because there is no time stated within the bill for it to take effect. Missouri could be left without funding. "We're leaning on congressional intent," says Hunter, until the state legislature acts.

The Missouri highway system is "continuing to fall further and further behind." Major needs are the repair and replacement of 700 to 800 bridges, resurfacing work to pavement which is in a state of "continuing deterioration," and the solution of congestion problems in developing areas.

Missouri, ranked seventh largest among the states with 32,000 miles of state road, is currently contracting only 50 percent of the planned work. "If we really let them go, it will cost three to seven times as much to rebuild," Hunter said.

The system needs "repair, rebuilding, replacement and rehabilitation." The people of Missouri will soon have a "slum highway system" if additional funding is not provided, says Hunter.

Department of Agriculture



James B. Boillot

Programs may be ended if further cuts are made

By Jay Taylor
Chart Staff Writer

MJEFFERSON CITY—Starting with this year, the Department of Agriculture will lose a total of \$1,624,218 from its operating budget of about \$13 million. James B. Boillot, director of the Department, acknowledges that cuts like these threaten many of the department's programs.

"Any more cuts would affect the department severely. We are operating at a bare minimum level. We are at the point of cutting out specific programs. The last time [we had a budget cut] we took out a vaccination program and a few other programs. The only way we can make ends meet is to discontinue services. I can no longer go across the board."

The Missouri Department of Agriculture contains six divisions. Formerly there were seven divisions until two were combined. Though parts of these divisions deal with marketing and regulation, many of them concern inspection, care, and vaccination of animals which will be sold and processed for food.

At the moment Missouri still enjoys many safeguards on its farm products. However, Boillot explained, budget cuts have forced some programs to be dropped.

"We have cut the brucellosis calf vaccination program. That was eliminated entirely. We have also cut back on our laboratory support, and some positions that were to have been filled in the Animal Health division were eliminated."

The two divisions which were combined were Agricultural Development and International Marketing. Because both divisions dealt with marketing the merger didn't hurt, Boillot said. One important part of Agricultural Development has remained, however, that being the Agriculture Emergency fund, which gives student loans and capital improvement loans to those who qualify.

"The emergency fund was started in the 1940's," Boillot explained, "when a small amount of money was invested until the late

50's, when we began the programs. It is a designated amount of money separate from general revenue."

"I don't believe that I have hurt the divisions by combining them; I believe I have improved the efficiency. I see a great deal of similarity between promoting the sale of an agricultural product domestically and overseas. We have just combined those two areas and put them under one director."

One program that has been reduced was the state fair which was reduced by \$350,000. However, the effect of that cut was minimized by the fact that the fair increased its earnings.

When the subject turns to where the money for the department comes from, the Department of Agriculture is fortunate in the respect that 54 per cent comes from fees and licensing, and programs, like the grain inspection, which pay their own way.

On the other side of the coin, however, the rest of the money for the department must come from general revenue. Last year 10 per cent of the money that was requested was held back, and this year they will lose another four per cent. Boillot hopes to continue the present quality of programs even on a reduced budget.

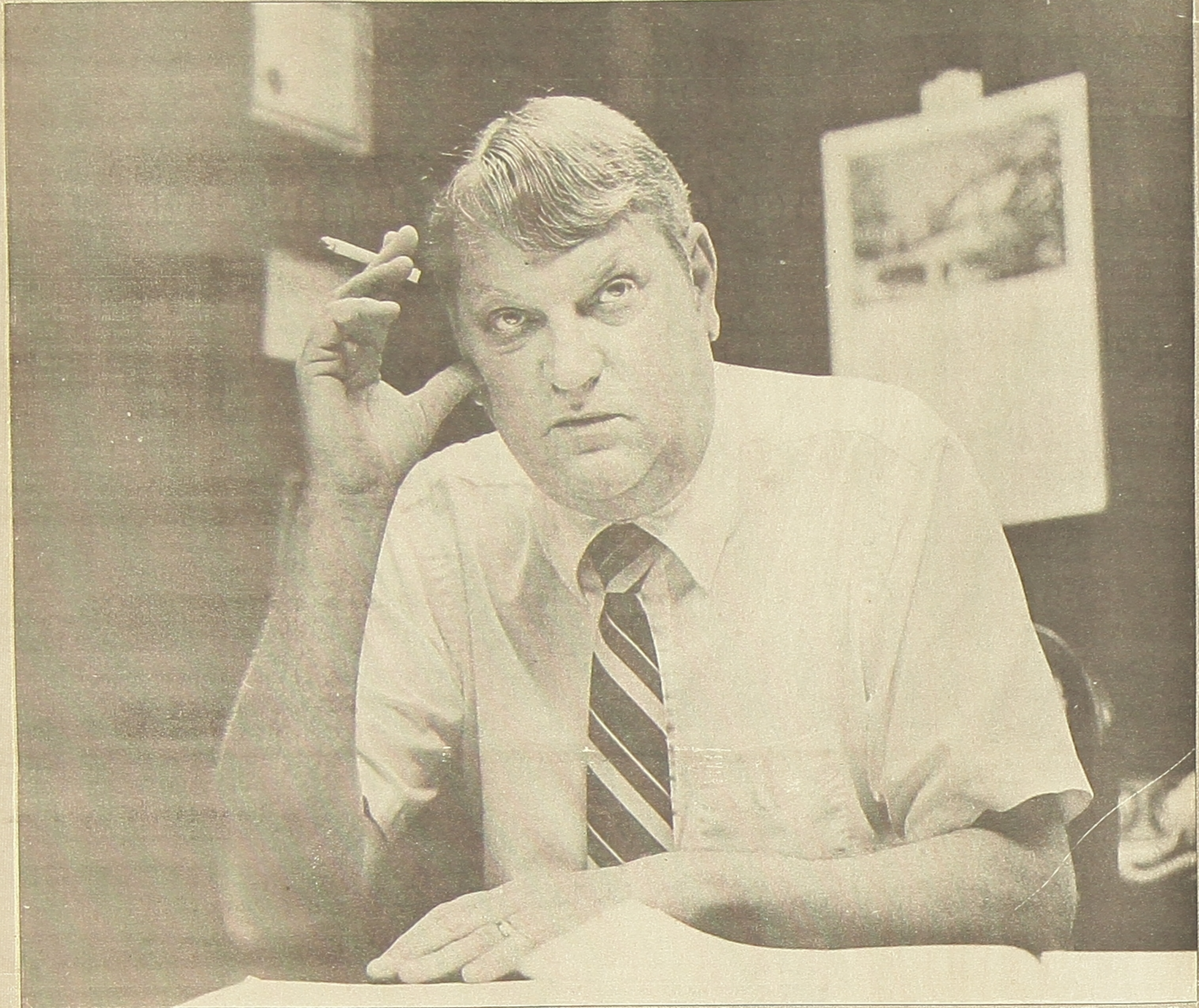
"We are trying to avoid any suffering. I don't think that up to this point that we have reduced any of our inspections. We have reduced staff and the expenses incurred by the staff, but we have maintained all of our inspections up to this point."

Boillot echoed the sentiment of many others, claiming that the budget cuts were not "all bad" because some areas were trimmed that could be conducted in a better manner. Still, he continued, the loss of employees was significant, as the department has lost 22 per cent of its personnel since 1981.

At the moment, there are no plans for any further reductions in the operating budget of the department. Even so, the legislature has just opened its session, so it is too early to tell.

"The bills have just come in today, so I don't really know," Boillot said. "I haven't been told by anyone of any plans to take any more from the department, but to lose any more would damage us severely."

Department of Mental Health



David Roberts

Fiscal cuts in Mental Health budget spread across board

By Kelly Phillips
Chart Staff Writer

MJEFFERSON CITY— The Department of Mental Health was cut 13.5 million in fiscal year 1983. The cuts were spread across the board, stated David Roberts, Budget Director.

The department has three divisions, Mental Retardation, Alcohol and Drug Abuse, and Comprehensive Psychiatric Services. "The first thing we did," said Roberts, "was restrict admissions to people dangerous to themselves or others, and the most severely ill. We are still maintaining that posture. Then we went through and cut various programs. We stopped a lot of community based services, and traveling clinics were cut in half."

The Mental Retardation division cut their support people (maintenance, housekeepers, and plumbers) in order to keep their direct care. Roberts explained that "most of the beds in the mental retardation side are certified beds. We can draw down medicad from them and that's about 60 per cent of our cost."

"You can go a few years and not paint the wall and you can cover up the dust by sweeping it under the rug, but you have to have your direct care people when the certifiers come around," he said.

Though the government is short \$18 million they could, explained Roberts, lose up to \$30 million if they lose medicad. Several of the wards have closed because of the staff shortage. With the first cuts 1,000 employees were laid off.

Patient census has dropped for the Psychiatric Services about 270 and for mental retardation about 120. Roberts said that the beds were not taken out all at once, but was one of the biggest declines.

Roberts fears more drastic measures will take place if the \$10.5 million in additional

cuts for fiscal year 1984 are confirmed. "We just can't function with that kind of cut anymore or we are going to have to give up, close the hospital, and all that stuff... That money will represent about 400 employees," he said. The budget plans have been made with the \$10.5 million out but the funds will have to be made up somewhere stated Roberts. The major cuts will be felt by the employees. The employee payroll makes up about \$150 million of the 200 million budget. The average salary is \$13 thousand. The department has approximately 10,400 employees.

"As a part of these cuts \$2.1 million would be made up by reducing the service area expenditure of the state hospital to a dollar fifty per capita. What this means is you have an X number of service areas, you put so much money into that service area, and it comes to five dollars per capita. We take it down to \$3.50 and that's all the dollars that we would put in that area. Three dollars is the minimum."

The Comprehensive Psychiatric Services were cut by 1.3 million. "We have," he said, "an appropriation of half a million roughly and \$400 thousand for equipment replacement. We need two million a year to stay even; they gave us a half a million. We are cashing that in for next year and just use the old equipment."

Day Care programs are being terminated at St. Joseph and St. Louis, since they are not considered the most severely ill. The Community Placement programs are feeling the pinch of the cuts tremendously. Roberts explained, "We are going for emergency on this program, because the Feds are re-evaluating clients and cutting off their supplemental security income. These benefits go in to pay for people in nursing homes. We have to pick it up or bring the people back, and obviously we can't bring them back because we laid the staff off."

Co-op measures are being considered to aid in conserving staff and materials. The institution at Farmington will hold 1,100 inmates; there are 3,000 who need psychiatric help. The proposal is to build a 170-bed new facility and remodel 150 beds in St. Louis. The two facilities would take care of the patients and the rest of the campus at Farmington would be used for corrections.

Further cuts would be detrimental to the institutions themselves. "They can't go any further," stated Roberts, "now what happens when we don't have the maintenance peo-

ple, we might make out a year, we might make two, then things really begin to crumble. It will cost you three times what it would if you could keep it up to start with."

Fire security measures must be kept in accordance with the fire codes. The building must be equipped with sprinklers, fire rated walls and ceilings. The institutions are asking the maintenance crew to keep the building suitable for certification.

"You can take short term basis cuts, it's like stubbing your toe. It doesn't kill you, but it hurts like the devil for a little while. If you cut the toe off you have to get it fixed," stated Roberts. "Something has to happen now because you can't take that kind of hurt. You have to have it repaired. We're getting to where we are going too long...we would have to take off some of the facilities."

Consumer Affairs can still function, says head

By Kelly Phillips
Chart Staff Writer

MJEFFERSON CITY—The budget cuts for fiscal year 1983 have touched every department of the state of Missouri. J.H. Frappier, director of Consumer Affairs, stated that things were tight but "we are not down where we cannot function."

Incorporated under the Department of Consumer Affairs are 36 divisions. Most of these divisions have not been affected by the budget cuts for they are funded by monies other than general revenue.

Largest of the divisions is the Public Service Commission. The Commission is funded by their own revenue generated by taxes on utilities.

The professions—doctors, engineers, and architects—fund themselves by paying a licensing fee. These fees support their professions and have been untouched by the cuts.

Regulatory agencies such as banks, savings and loans, credit unions, consumer finance industry and insurance industry, are charged for being regulated, thus generating money into the general revenue. The general revenue, however, is subject to appropriation cuts.

Frappier personally appealed to the Governor concerning credit unions, banks, and insurance "on the grounds that because of the economy those industries need much more careful supervision than they ever did. We have many more problem banks, many more problem credit unions. We have four insurance companies go into receivership."

"The economy," he stated, "is creating more of a work load for these regulatory divisions. The Governor did approve my recommendations and did reverse the decision of his budget people and gave us additional funds to run these divisions."

Two new programs were developed before the cuts—the guaranteeing of loans and the making of loans. Rather than cutting into existing programs Frappier severely deleted the funds for these new programs.

"You can't when laying off employees, turn around and say I'm going into the business of loaning money. It doesn't make sense," said Frappier.

Listed as another high priority is the Economic Development division. Unlike the other divisions additional money has been placed in this program to help in marketing and promoting the state.

Furthermore, a non-profit organization known as the Hawthorne Foundation, was set up to aid in the advertising of Missouri. Currently over \$100,000 has been raised.

Frappier stated that on Jan. 31, they will take Gov. Bond to Washington, D.C., to a High Technology convention.

"Three-hundred High Technology Corporations will be there. With the support from the Hawthorne Foundation we will have a reception and a breakfast for these people to talk to them about Missouri and why they should come to Missouri."

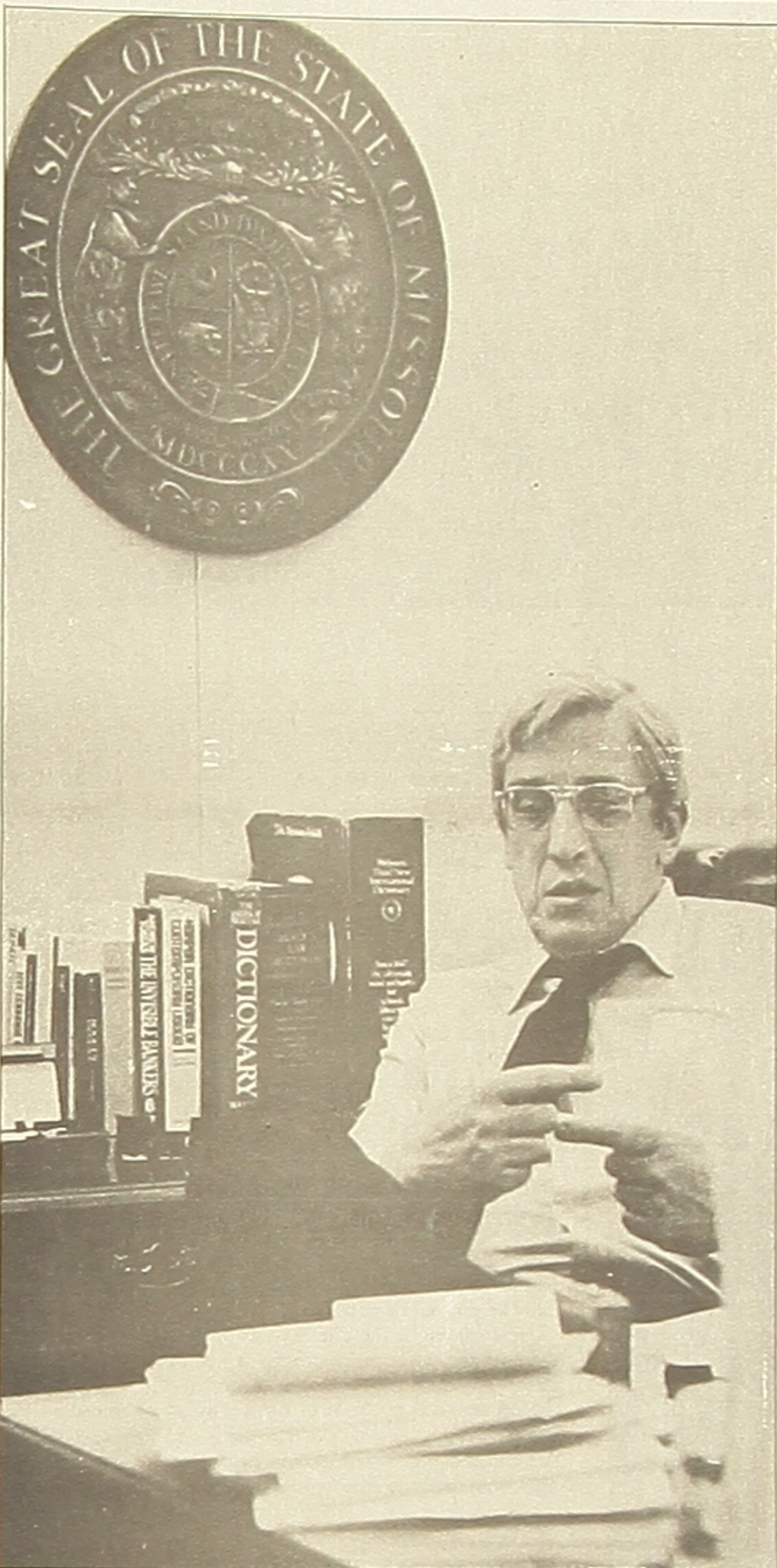
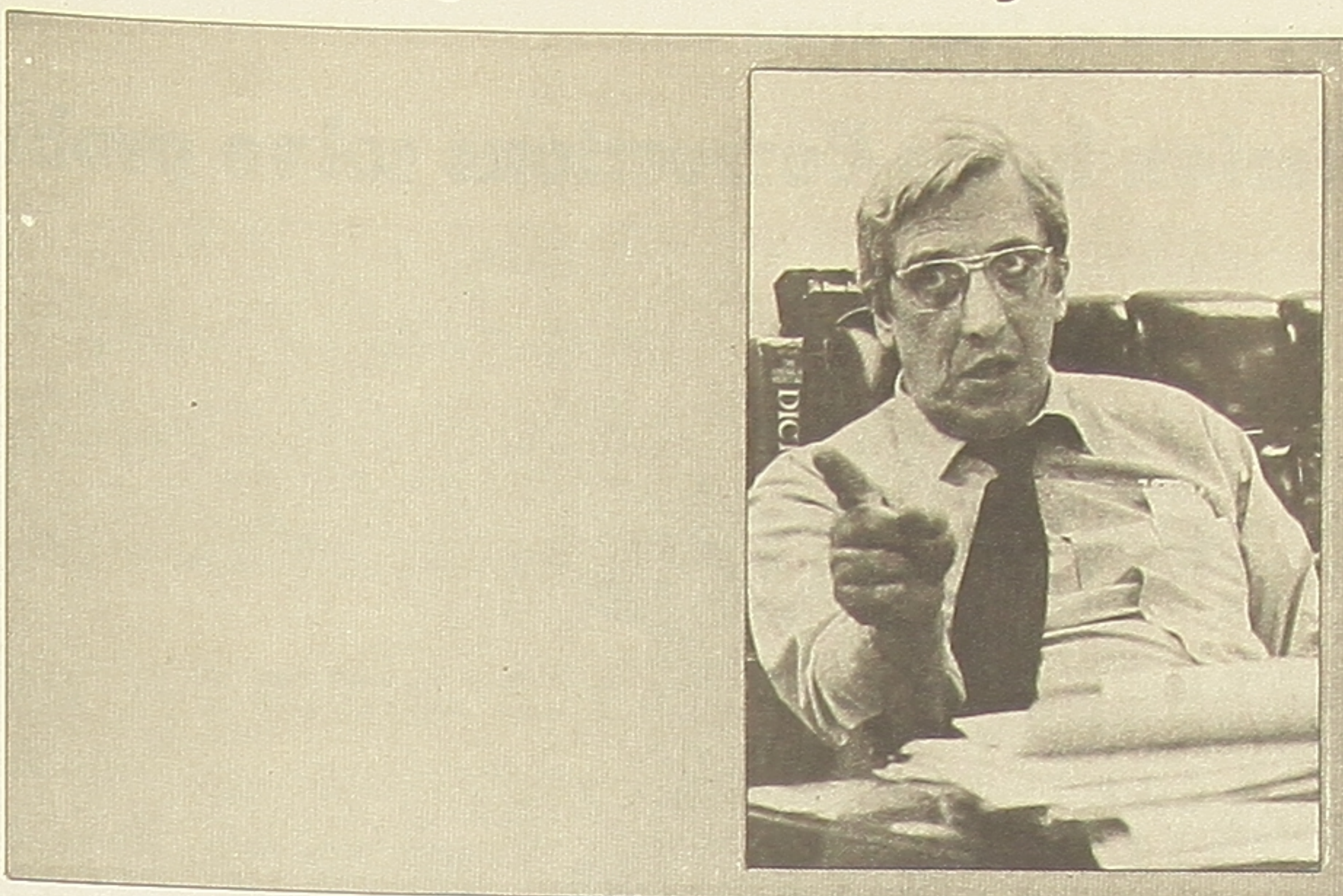
The Economic Development division's objective is to bring in more businesses which will in turn bring in more revenue for the state.

All the divisions have been hurt in one aspect and that is salary and wages. Frappier stated that the department is unable to increase salaries because of the cuts and many of the positions available have not been filled because the salaries are competitive to those offered by other industries. Many of the employees are living under the standard level.

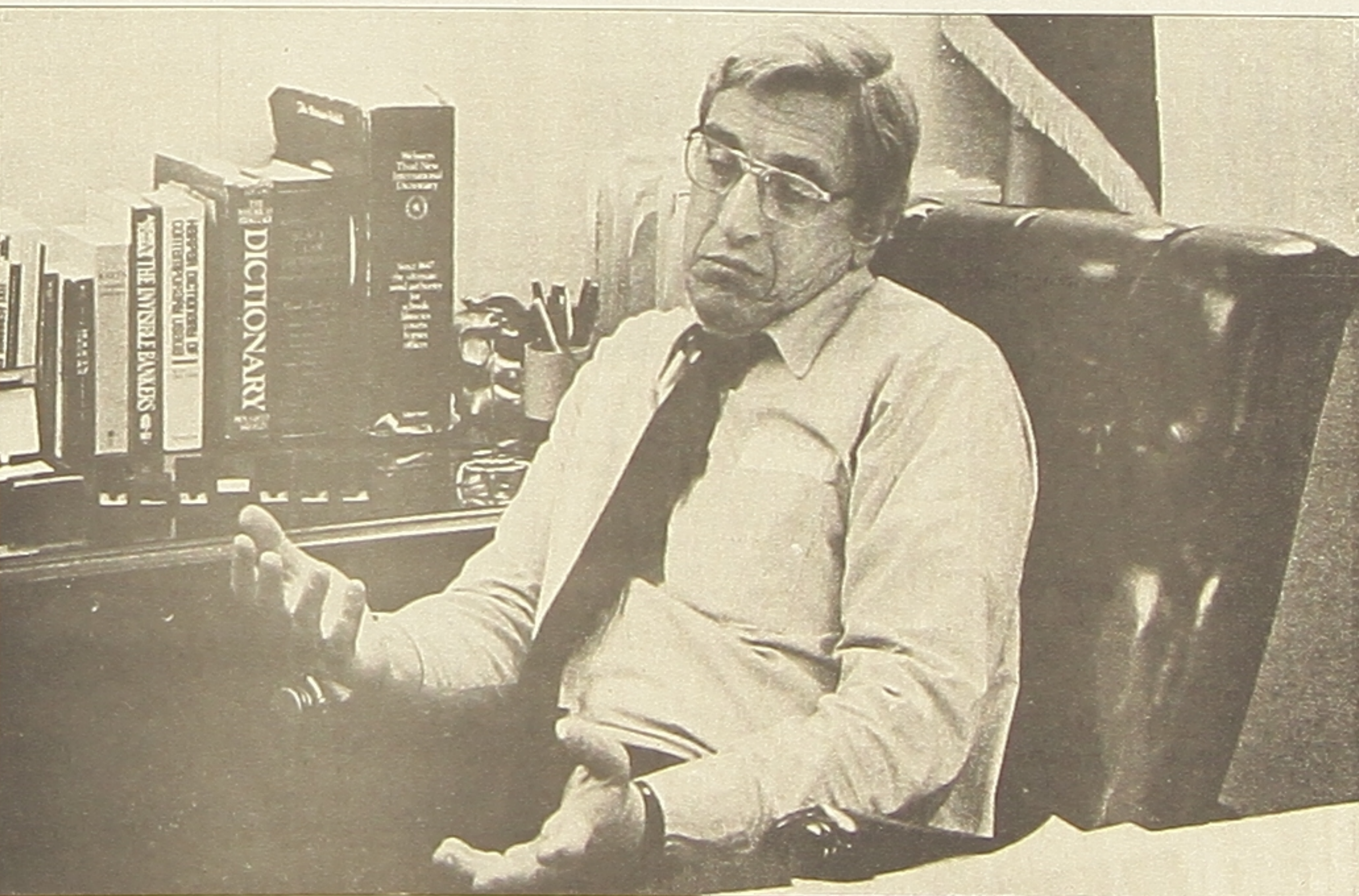
"The cuts have caused us to find other ways to manage our divisions," stated Frappier. "I don't think what we are going through is unhealthy. I think generally we will have to live within the revenues that we have available. If everybody paid the taxes they owed we wouldn't have to raise taxes."

He stated that the economy was beginning to turn around and that to raise taxes would be counterproductive and damaging.

"It is not sound economic theory to pull yourself out of a recession by increasing the cost of being a citizen of that state," said Frappier.

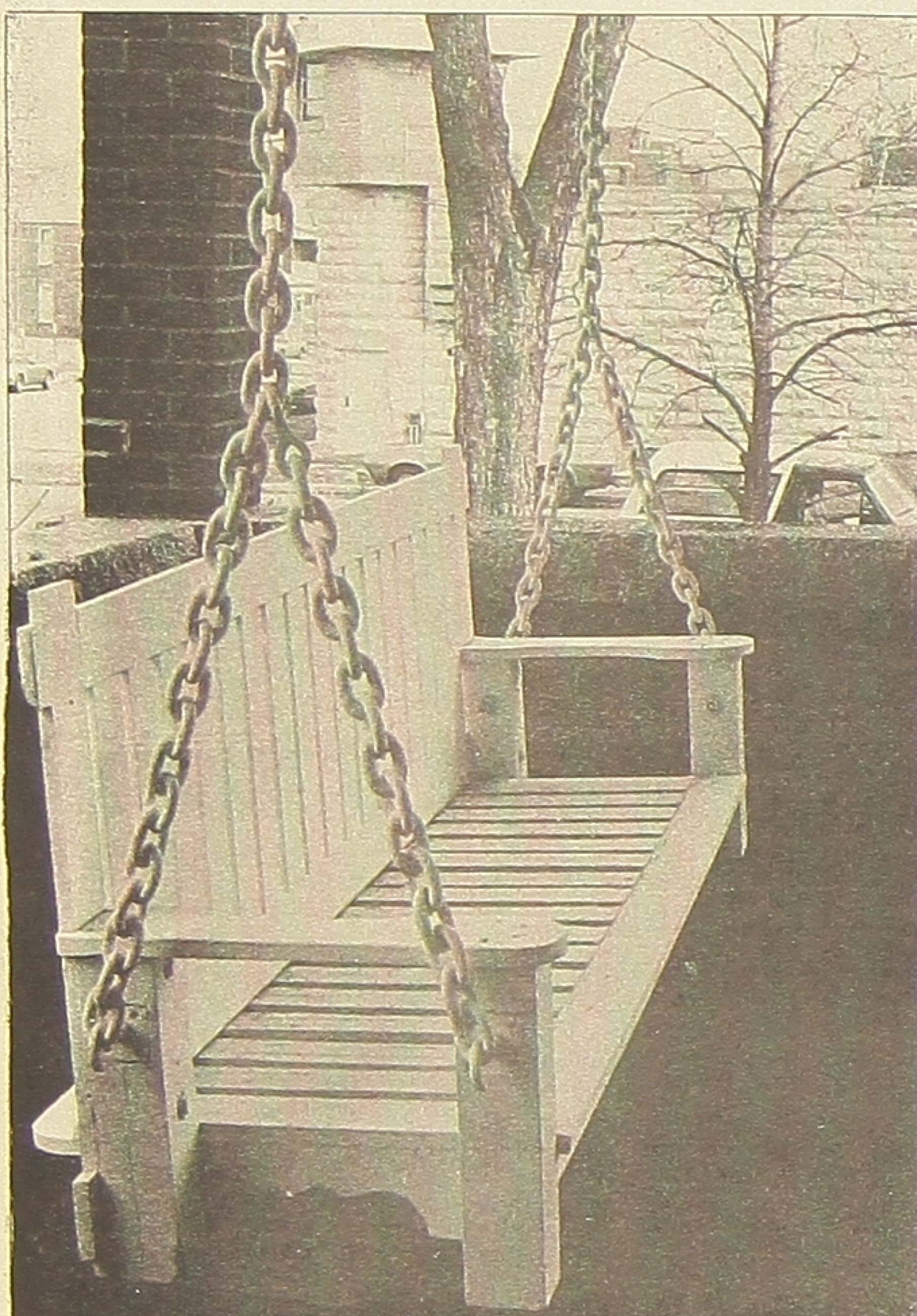
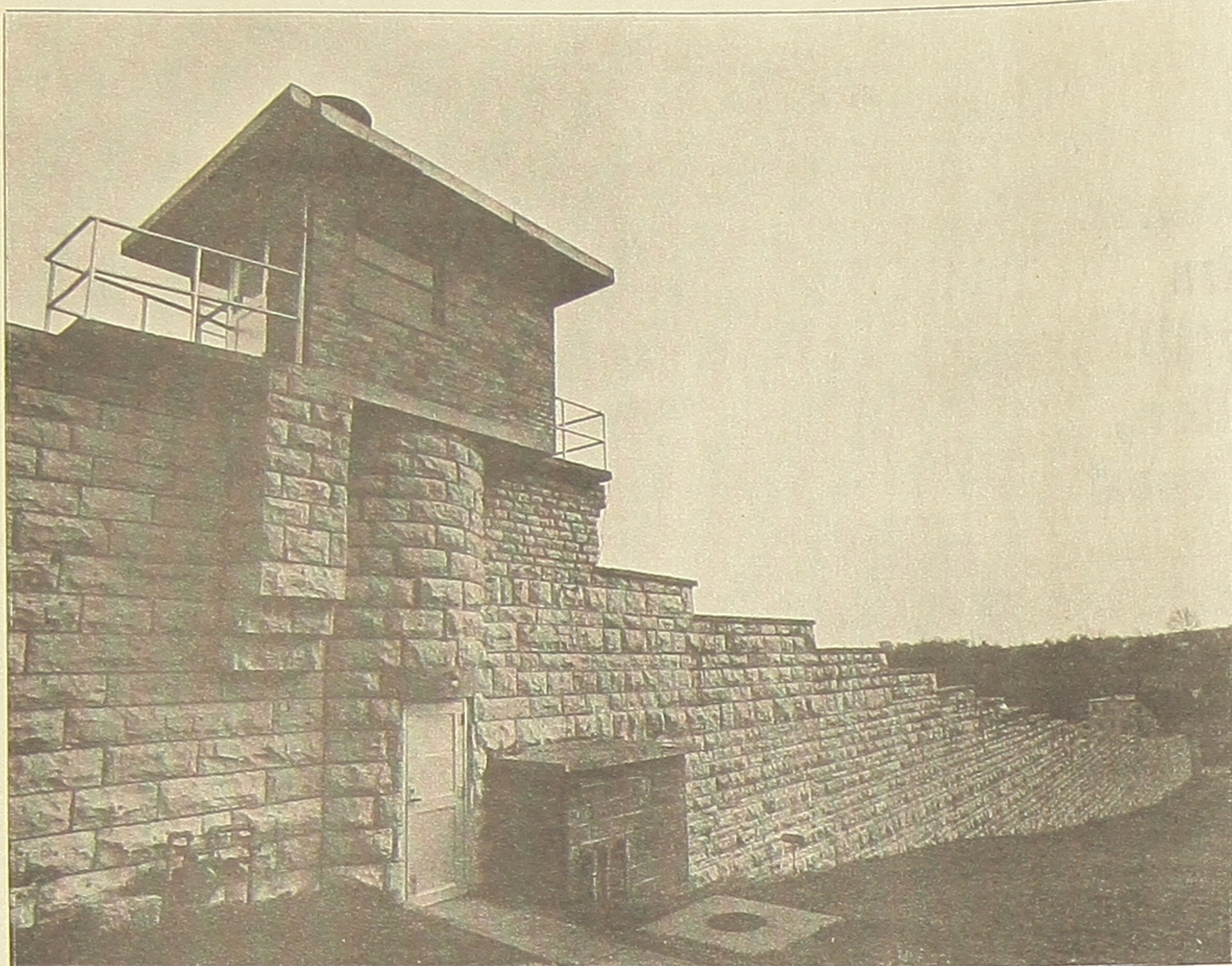


J.H. Frappier



Department of Corrections

Mission helps Corrections solve problems



The Missouri State Correctional Facility [top] better known as the "state pen" houses 2,400 offenders. The open comfort [above] of the Department of Corrections contrasts with the stone enclosure of the penitentiary across the street. The interior [right] of a remodeled house serves as the Missouri Department of Corrections office.

By Kelli Pryor
Chart Staff Writer

MJEFFERSON CITY—"The determination of a clear mission" will give the Missouri correctional system the guidance to overcome its problems, says director of the Corrections Department, Dr. Black.

While striving for a common philosophy within the corrections department, Black has battled the lack of revenue and the lack of a good information system. The Corrections Department was not included in recent budget cuts, and Black is now implementing a "brand new classification system" which is the key to "separating more sophisticated offenders from less sophisticated offenders."

"My philosophy is that we need to find out what people we have and what kind of program needs they have before we build facilities," Black said. The classification system, through a series of tests and background search, will devise a personalized plan for each offender. The system will eventually be put onto computers.

Overcrowding is the number one problem of the system, but more prisons is not the answer. "Prisons are only one response to dealing with the problem of overcrowding. There are six or seven options," Black said. The classification system should help determine what facilities, if any, are needed.

A bond issue and current legislation have provided the system with 1,900 beds. Buildings are being converted and correctional institutions are being shuffled to cope with a system which is "2,000 people over capacity now." Black says there are 5,200 spaces and 7,200 offenders. "The projected

population is even higher. It's an ongoing problem and we're constantly dealing with it."

According to Black, 96 percent of persons released from the prison system in the next five years will return. To help remedy this problem the corrections system is promoting the family and vocational skills. "The ability to make it in the home community" and the "strengthening of family relationships" make a big difference in helping the prisoner "stay out of trouble," Black says.

Difficulties arise in trying to rehabilitate a prisoner because "by the time an individual makes it to prison he has experienced a series of failures in the community and no matter what you do in the prison system, it doesn't mean that person will automatically go home and become a good productive citizen," Black said.

"We're providing alternatives to people that want to take advantage of them. We're not rehabilitating prisoners. There is no program to rehabilitate prisoners." The corrections system could provide the inmate with vocational and academic skills, but they cannot solve his drug problem or teach him to manage his life, says Black.

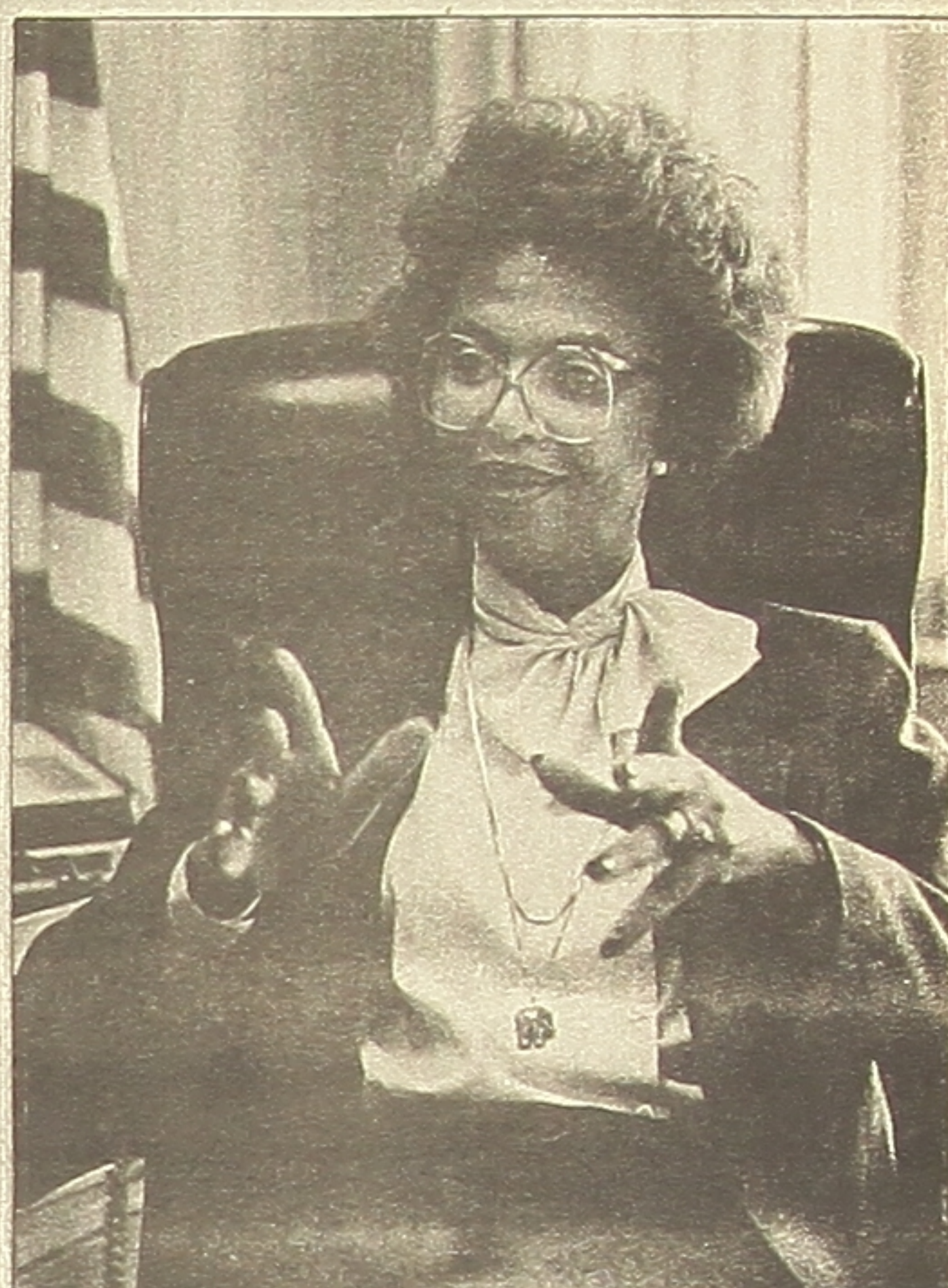
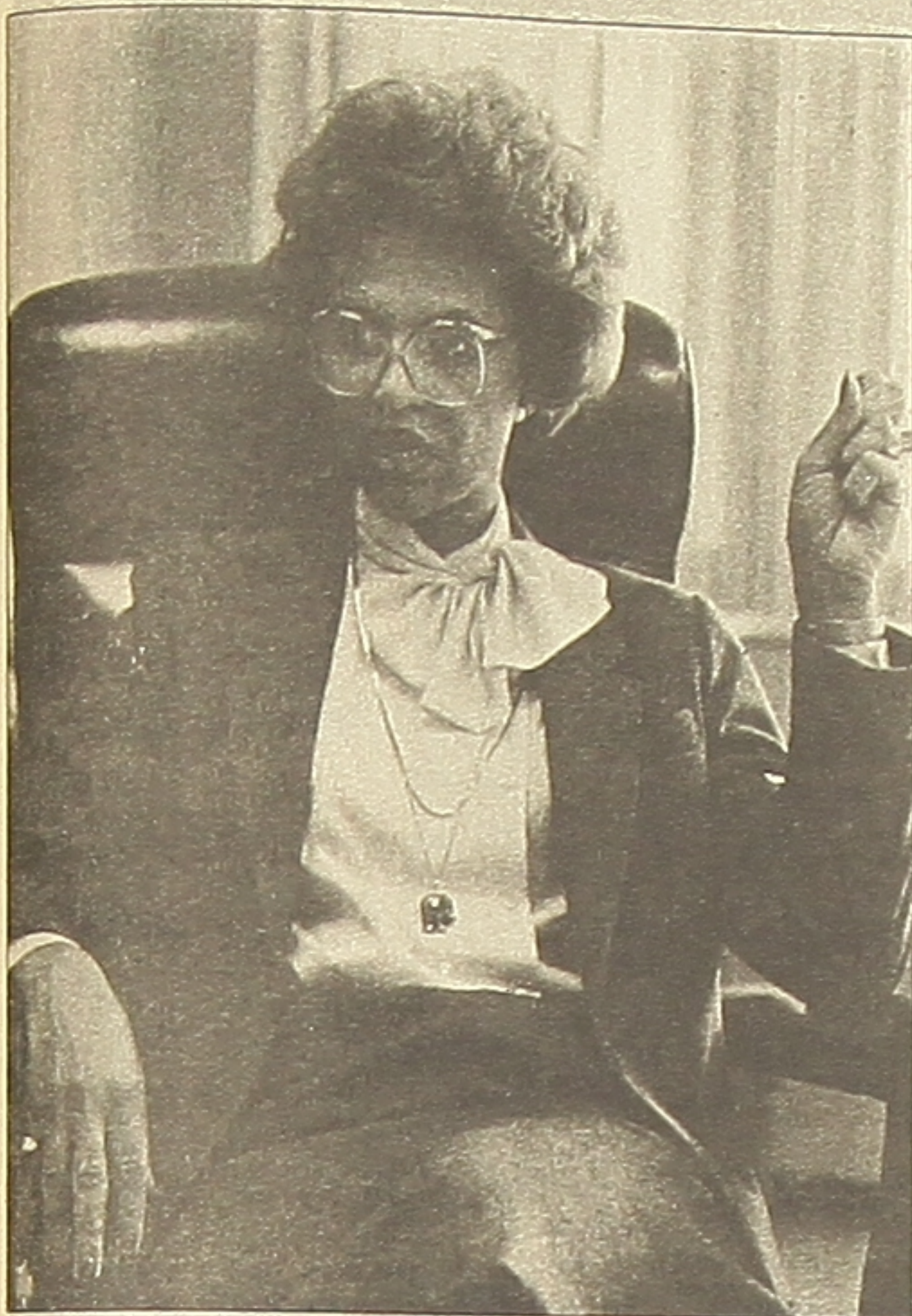
Missouri is ranked 47th among the states on spending in the correctional system and a "phenomenal job" has been done in recruiting resources, Black says. "The general sentiment is not for rehabilitation or alternatives. The general sentiment is to lock them up and keep them from society."

Black hopes to change the "myth" with the classification system, which is the key to knowing what kind of prisoners the system is dealing with and, thus, what additional plans are needed to cope with overcrowding.



Department of Labor and Industrial Relations

Labor Department's workload increases as jobless rate rises



Paula V. Smith

By Jay Taylor

Chart Staff Writer

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JEFFERSON CITY—When unemployment goes up, most businesses slow down. However unemployment means more work for the Department of Labor and Industrial Relations. But, like most departments of government, they are being forced to do more with less.

"On a department basis, the Division of Employment Security is the largest division. I would say since this time last year we've lost approximately 300 employees and about four million dollars in the operating budget of that division. Most of this came from the federal level," said Paula V. Smith, director of the Department of Labor and Industrial Relations.

The department is given the responsibility of administering several different areas, such as workers compensation, labor mediation, and employment of the handicapped. With

the current economic conditions the function of this department has become even more vital.

The loss of revenue from the federal government has amounted to 8.5 percent of the operating budget. The loss from the state general revenue fund was a bit larger percentage wise, amounting to 26 per cent. However, the general revenue fund only amounted to about 1.5 million dollars, so the loss was not that great.

"On a total departmental basis," Smith said, "the effect has not been that great. What is significant is the reductions came at a time when unemployment was increasing; therefore, the workload was increasing."

One program in particular escaped any cuts, that being workers' compensation. This was due to the fact that the funding for that came not from the government, but from the employers themselves. Due to the condition of the economy, though, there were times that funding to pay unemployment benefits ran low.

"When these operating shortages came about in terms of the support budget, we had problems finding enough funds to pay unemployed. It made the total management of what is going on in the department much more difficult and much more sensitive. In January of 1982 we began to borrow from the federal government to support our unemployment benefits."

Missouri began to borrow from the federal government at a time when the federal government had begun to cut back. Added to that was the problem that many states had already borrowed money and had not paid it back.

Smith explained that even though Missouri qualified for the funds there was the threat of losing those funds.

"About March or so there was the threat that we would not continue to receive funds unless some major changes were made. These changes came about from the Missouri legislature, but I had some very tense moments for about three weeks, not knowing whether or not we would be able to

pay the checks."

Dealing with the cuts in the budget brought about some good things, too. Smith quickly explained that there were positive and negative points which brought about a better department as a whole.

"Of course, the negative points dealt with the individuals that found themselves no longer servicing the unemployed, but, instead, one of the unemployed themselves. Secondly, there was the loss of money for the programs. I feel though, that we are coming out of it a stronger organization because we have found to make do with less. Even if our budget increased we would probably not hire back the people we lost, unless we started some new programs."

Smith sees little hope for increases in the operating budget, most of the funds come from the federal government.

"Unless there is some national legislative change, and there has been some, but still it does not address our total problem, I see little change occurring in the present situation."

The best thing that could happen for the department, and for the nation as a whole, would be a turn around in the economy. This would decrease the work load of the department, and make the need for more funding less urgent, Smith said. If this happened the people employed by the department might decrease more because of "learning to do a better job with less."

However, if this change does not occur in the economy, another cut would be very hard to take.

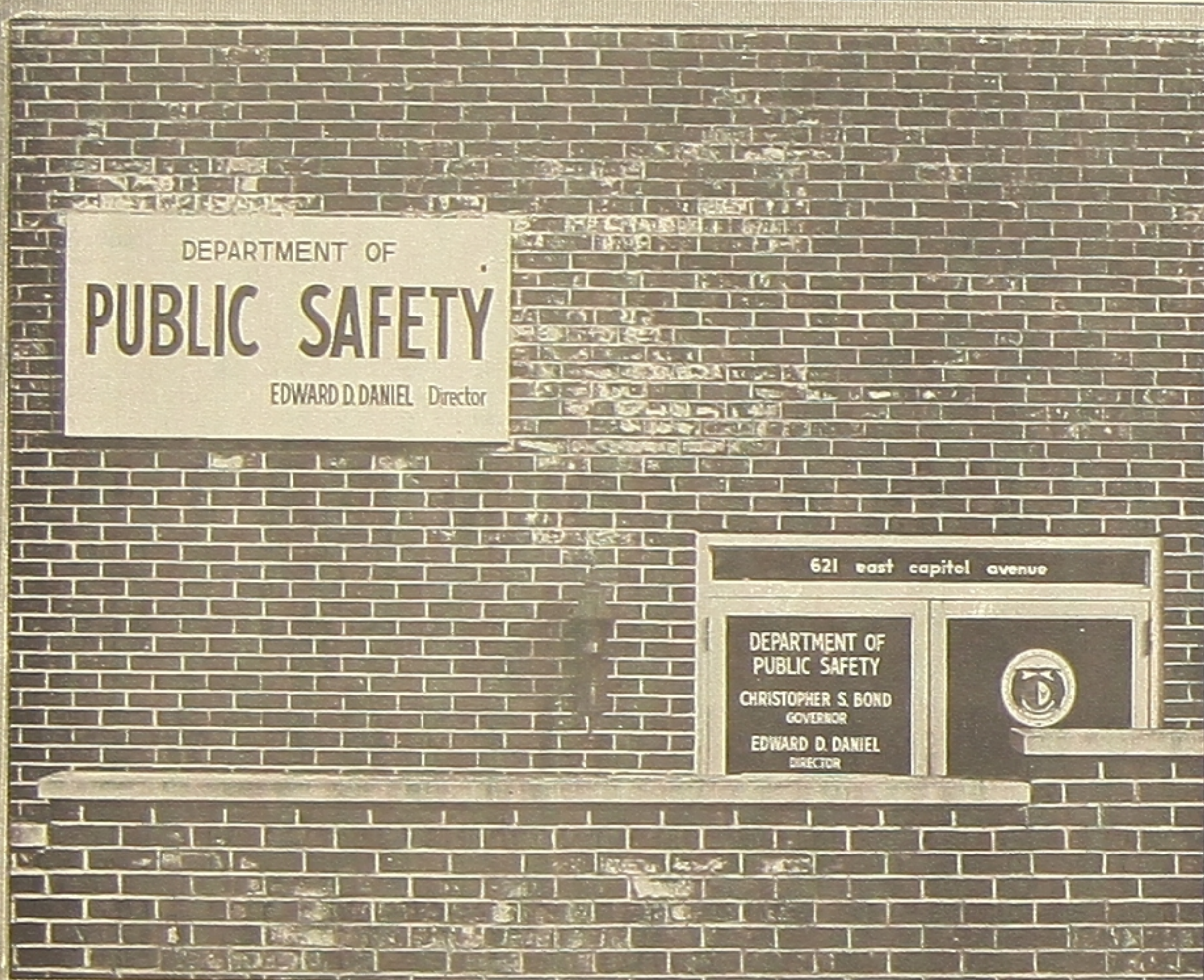
"Our actual cut last year was supposed to be close to seven million dollars, but due to heavy support for our program, 3.5 million was restored, so it could have been worse. We eked through. If we had lost all of that seven million I wouldn't be saying that."

The department's main function is to attempt to get people jobs. Smith feels that the people left on the staff are more of the "sales type" and can contact employers to find out where jobs are and what is available.

Department of Public Safety



Edward Daniel



PUBLIC SAFETY

Gov. Bond, in his "State of the State" address, called for a funded staff for the Governor's Commission on Crime and 10 new staffers to man weight stations and check for truck safety defects.

Included in \$1.3 million to open up the state hospital at Mt. Vernon for the influx of 120 men into a new state nursing home for veterans. A new state nursing home for veterans in Mexico would receive \$616,000 to operate. It is due to open late in the new fiscal year.

Public Safety feels cuts eliminate 'fat' from state

By Kelli Pryor
Chart Staff Writer

MISSOURI CITY—During the past two years, Edward Daniel, director of the Department of Public Safety, has faced about a 35 per cent reduction in funds to his department, but he maintains that the budget cuts have forced the state departments to "cut a lot of fat out of government."

In the past, Daniel said, unpleasant decisions were delayed and now the budget cuts have mandated a decision. "It has forced us to be good managers. The two year process is only negative if we perceive it to be negative."

The Department of Public Safety survived the budget cuts by combining departments, cutting back on non-emergency services and laying off about 50 people.

The governor imposed a 30 percent cut in the department and in his office, Daniel forced another 30 percent by combining two divisions. Overall, the department had a 35 per cent cutback.

The department faces a 10 per cent general revenue cut for fiscal year 1983 and a five per cent cut by the governor for fiscal year 1984.

Daniel says the upcoming cuts will "cause us to look at services and prioritize service delivery."

He foresees the reduction of 100 more personnel.

The adjutant general's division had escaped budget cuts, but Daniel says the division now faces the dismissal of 50 employees. The 10 per cent general revenue cut for the national guard would be taken from capital improvements, with the only alternative being to close six armories. All other alternatives would cause too great an economic impact because the state contributes \$3 million to the division which the federal government matches with \$83 million.

The 11 per cent general revenue cuts for 1983 in the highway patrol division will require the reduction of 16 employees. As a result of the reduction through attrition, the criminal investigation capability will be cut by 33 per cent. Other services will also be hampered. Daniel says, however, that provisions are being negotiated which will provide the highway patrol with a requested salary increase of about \$5,000. All enforcement of-

officials will be on one pay grid and no benefits will be added.

The liquor control division will cope with its nine per cent cut by dismissing six employees and closing a laboratory, which will be an extra burden to other laboratories.

The 10 per cent reduction of the water patrol budget will not allow the division to hire 10 officers who were being screened for employment. Three officers currently with the division will be laid off.

The water patrol budget cuts will "spread thin everything throughout the state," Daniel said.

Certain services will be terminated and there will be a longer response time.

Because of a seven per cent general revenue budget cut the state emergency management agency will be forced to eliminate temporarily six programs: Hazardous Material Orientation Courses, Earthquake Planning Development, Response to Hazardous Administration Situations, Resources Inventory Maintenance, Local Plan Development Assistance and Institutional Planning Assistance. One employee will be lost.

The state fire marshal's office must work with an eight per cent general revenue budget cut in a state where "arson is the fastest growing crime."

Daniel says the division will train local authorities to be more capable of recognizing arson. Last year, Missouri citizens lost \$1 million to arson.

The division of veterans' affairs will lose 15 personnel because of a 10 per cent budget reduction. Institutions at Mount Vernon and Mexico could also be affected in the event of unexpected expenses.

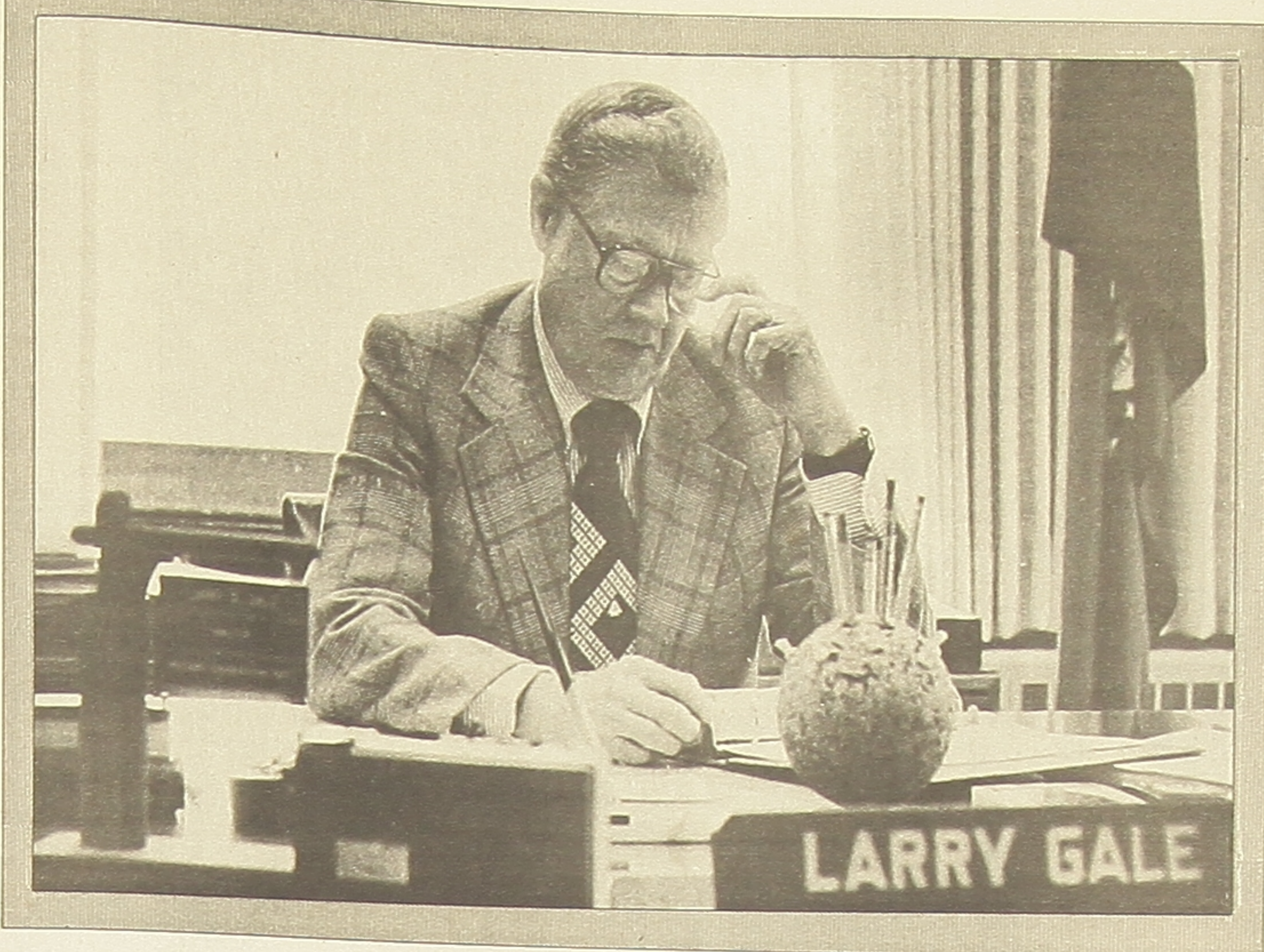
The director's office will receive a 10 per cent reduction in its budget. There will be a reduction in clerical services to the crime commission, prison investigator and peace officer standards and training. Reductions in crime lab appropriations will be distributed proportionately among the six labs.

Daniel stressed that emergency services will remain readily available. The people in Missouri have not even been inconvenienced by the budget cuts, he added.

"We were able to cut a lot of fat out of government through the process and I think that serves the people well."

"I'm quite positive about the future," Daniel said, "I think that the bad times are behind us at this point."

Department of Conservation



Larry Gale

Conservation has two budgets, and thus retains same level

By Barb Fullerton
Chart Staff Writer

MJEFFERSON CITY—With two different budgets in fiscal year 1983, the Missouri State Department of Conservation has a total that is almost the same as last year's budget.

"We go through the appropriation hearings the same as all other state agencies, and we have recommendations from the governor after we submit our preliminary requests and that is after it has gone to the House or the Senate," said Larry Gale, director of the department.

"We have the appropriated budget the same as all other agencies, but in addition to that we have an internal budget that is approved by the commission at a later date. In fact, this is done at the June meeting for the following fiscal year and because of the fact that it is handled somewhat later, it is fine tuned. We have a better source of information in the amount of revenue that might be available and so it must be within the appropriation and is."

Both budgets are almost the same. There is less difference between them now than several years ago. "We used to have a much greater difference between the appropriation and internal budget. But we have scaled down the appropriation request over the years to the point that it's almost the same. For the present fiscal year of 1983, the internal budget was approximately \$33.5 million in total and in the fiscal year 1982, it was \$43.6 million. Part of that reflects the decline in revenue. There is a \$10 million difference there, but unlike some other agency, since all our money is marked, we don't necessarily depend entirely on revenue received during the year," said Gale.

"If we have a carryover that is expendable, assuming that there is a high enough amount of appropriation money that is left from last year, it is available for rebudgeting and it so happens that there has been a greater carryover. So part of that is in the nature of declining revenue but part of it is the difference of carryover and I say that the major difference is the carryover funds."

In the department, the reduction for this fiscal year is 16 per cent. "It's not all due to the decline in revenue," said Gale. "Our license revenue is the second highest income for this department and sales have held up well. Sales tax receipts for conservation have been almost flat for the last three years. They fluctuate up and down, but it's been in the range of \$30-\$31 million in that source, whereas our license revenue has been \$12 million. The economy affects our part of the sales tax revenue just as it does the total state budget. It's following the same general terms and because of the economy, we have had flat revenue the last three fiscal years."

Cutbacks have mainly been in the nature of less budgeting for land acquisitions than last year, and also they have not laid off any employees.

"We have delayed recruiting and we have left some jobs vacant for six months or longer when we felt this could be done without cutting too much into the programs. But we have been more fortunate than other state agencies because we did have a large capital improvement budget so that we were able to make much of our reduction in that budget rather than in our operating budget," Gale said.

Rather than a cutback, the director describes it as a level situation. "We've had no expansions but we've been able to maintain staffing at the same level as recent years. But summer employees were reduced in the present year. I hope we will be able to continue having the same level of staff members. Fortunately, some of the operating expenses have leveled off. The reduction of gasoline costs have been a great help to us because we operate a lot of vehicles. Other things such as natural gas and heating affect us the same way as any other individual," Gale said.

There have been some improvements in some of the conservation programs.

"Before the conservation sales tax was voted in by the people, we had a proposal for an extended conservation program at the time it started in 1977. We loaned about 300,000 acres of lands and the reports on which this new program was based called for about a doubling of that acreage. In other words, we would buy 300,000 acres to add to existing lands. We have so far in 5½ years of the program bought 142,000 acres or less than half the goal. We had a big year last year because we had a fairly large carry over of money from the previous year, but we've actually up to now expended the funds that were budgeted at the beginning of this fiscal year. So, that part of the program has slowed down. Another reason that the land acquisitions have slowed down is that we had from the beginning set the acquisitions our top priority but we said that as time went on that we would gradually fade into the development and improvements of these lands.

"Still later we joined to a larger scale maintenance program and we have started that development phase. It's not in full operation yet. We built a new lake last year and have one that is under contract now. We built a new nature center in Jackson County which opened last summer. So we are doing more development than the last three or four years of the program. But that's a gradual shifting emphasis," said Gale.

The department has slowed down in buying conservation lands.

"We have quite a number of tracts that are in various stages of investigation that would be ready to come on line just as soon as we have the money to handle it. Some are under contracts and others are not now but have been appraised and in some cases are ready to take to the commission for approval as soon as money is available," said Gale.

Because of the budget problem, the department has delayed things until the money is available and they know when the extra money will come in.

"In other words, we watch the revenue very closely and our estimates have been accurate, and so far we can predict with a good deal of confidence about how much money our license fees will bring in. We have several federal aid programs that bring in as much as \$5 million a year. The sales tax has been harder to predict in these years so we generally make them a more conservative estimate than the state. The state uses its projections to base the whole state budget on and the appropriations, but we have never carried quite that much money in our internal budget. We have to be on the safe side, and we have been. So we have not faced a situation where we budgeted something and found that we didn't have the money to spend. In addition, we have a

monthly financial statement from our fiscal section, and they keep us informed if we encounter a case for the program until the financial situation is cleared up. We haven't encountered any major difficulty with this. It's just a matter of planning ahead and having a flexible budget so that we can make the necessary arrangements," said Gale.

Problem with equipment is keeping up with the expenses.

"We have extended the mileage on motor vehicles. In some cases they are probably beyond the best time to trade or sell some of them. But we have found for the most part that we can go longer and not have more problems with service where it tends to enter in the total expenses. When we get ready to sell a vehicle and it has too many miles on it, it is not going to have the resale value that it would have if it had less. Also, if we run things too far, we get into major repairs. It's not only a cost factor but we may encounter too much down time when we can't do our work. Particularly in the heavy construction work. We want equipment that will keep working and not have a lot of breakdowns," Gale said.

The cost of each division varies a little from year to year. The operating side of the budget for Fisheries is \$4.6 million; Wildlife is over \$4 million, Forestry is \$6.5 million and Protection, which includes law enforcement, is \$4.6 million.

"Those are the big operations and we have some support operations such as our fiscal sections. Their budget, our second biggest, includes all of our social security and state retirement benefits, and other things. The biggest ones include a lot of things that go across the board," said Gale.

There are many reasons why they have the land acquisition program for the public.

"It is to try to provide outdoor recreation opportunities for people who don't have access to private land. . . and many of these areas are heavily used. We feel with the additional acreage, to some extent, we will be able to alleviate the overcrowding problem and at the same time take some of the pressures off the private land. So it has a double barrel affect. One of the big programs that doesn't involve acreage as individual units is our stream access program. These are relatively small acreages with an average of 200 acres. Some are larger and some are smaller. If we have a land owner who has 8 acres and doesn't want to sell 10, and if it is in a good location we would probably buy the whole thing and it would provide other activities. These access sites are for people to get to the streams where they can fish, boat, or launch a canoe. So it opens up a lot of opportunities without involving a great deal of acreage.

"Public hunting requires more acreage. Most of the larger tracts are for hunting or for preservation of state forestry and we're trying to buy forests in areas and there is not a lot of timber land left. At the same time we are avoiding the heart of the Ozark area where there is a lot of state and federal land in contract. They only time we get involved with the main Ozark area is to get into main stream access sites or some small area that has a very unusual natural attraction that we think is important," said Gale.

The conservation department owns and operates state hatcheries and trout parks.

"At Stockton and most of the larger reservoirs, we have licenses to manage wildlife on those lands and we have some tracts of land where we plant food plots and cover

planting. They are opened to public hunting," said Gale.

The department is going to continue to take care of those park areas just as they have in the past.

"We have been a little cautious about taking on additional responsibilities around the federal reservoirs. On Truman, for example, the Corps of Engineers had a number of access plans that Congress didn't fund. In some cases, they had a boat ramp but didn't get money to put in a road so people couldn't get to it and that had been a problem and still is. Some of the acreage is not useable by the public. Some areas had little development or some had no development. But we felt those are more federal responsibilities since they built the lakes and it is part of it. I don't know what the final answer will be but as federal revenue goes up it may be a while until those are built. There is a similar problem around Salt River in northeast Missouri. A lot of development has been slowed down and in some cases delayed for some time," said Gale.

The department will maintain what they have and go slow to take care of everything.

"We are expanding our educational program. It's been very popular. A number of teachers move from one school to another and ask us to continue to send conservation lessons monthly to those schools. Another aspect to this is we have a special project to develop a conservation songbook for use in schools and that is supposed to be available this month. The schools were enthusiastic about it when they heard about it, and many teachers contributed songs," said Gale.

They have some new research programs for the interest of the public.

"We released some river otters last year from Swan Lake. They seem to be doing well. We implanted them with radio transmitters and followed them. We are hoping they will breed and have young ones sometime next spring.

"We also had a release of trumpeter swans on a national wildlife refuge in southeast Missouri. The theory there is it is a family group and we hope they go back north in the spring. Hopefully the young swans will be imprinted with the local area and come back next winter and over a period of years build up a sizeable population so people will have a chance to see them," said Gale.

"We're hoping there will be a turn around in the economy of the state and help our program and others. We recognize that most agencies are in more difficult situations than we have been because many had to lay off people. A little of this may be all right, but I think we have reached a point where state programs are suffering and I don't think there is much more room to reduce personnel in agencies without having serious problems.

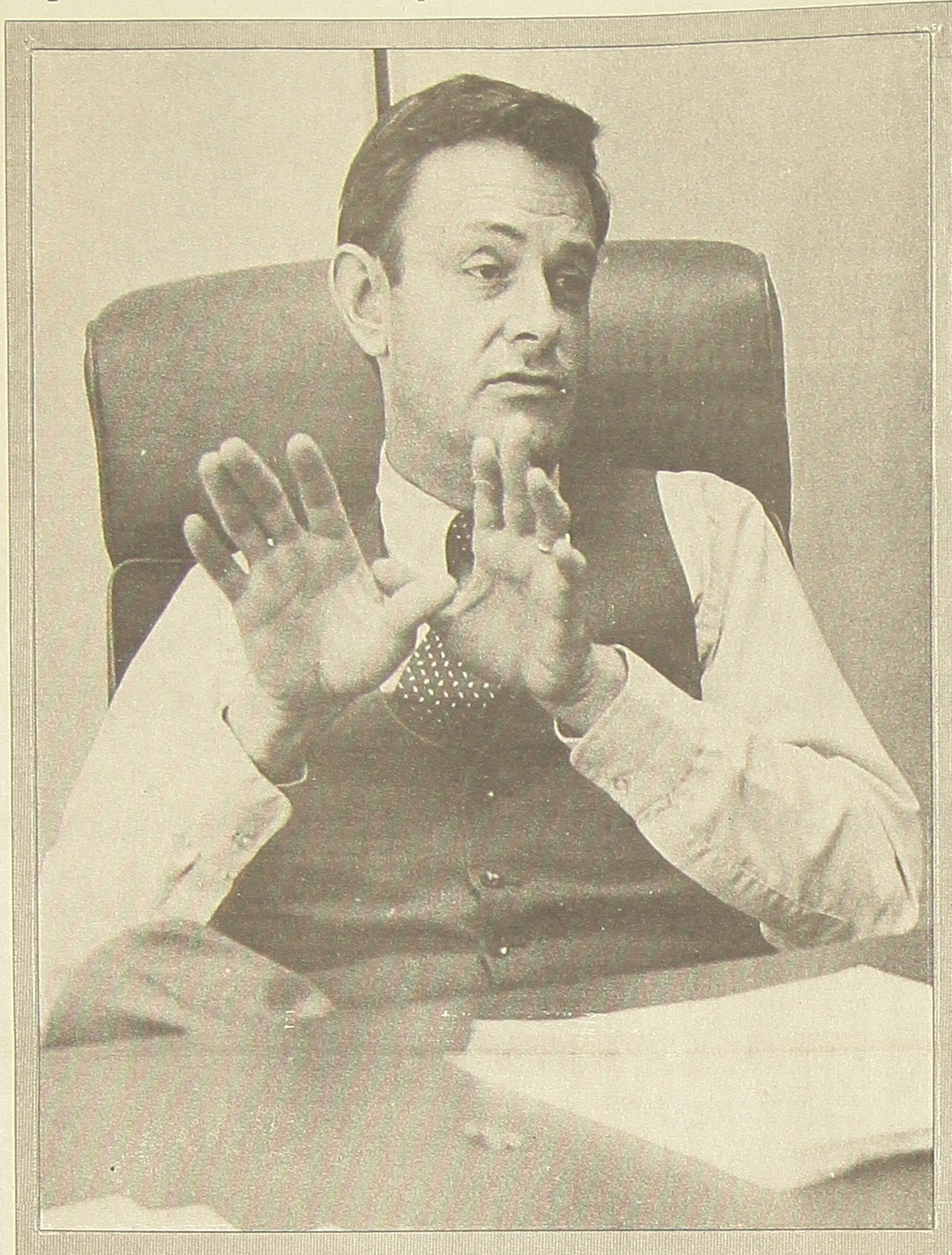
"I think as far as the Department of Conservation is concerned we have not been in that situation. I'm speaking now of state agencies in general rather than ours. But in our case we have had a slow down and where this becomes critical is with the use of land for other purposes. If we have to delay too long on these tracts we would like to buy, many are not going to be available in another 10 years. So far as we're concerned, that is the most critical aspect of the slow down. But again, we are just thankful we are in the position we have been. We feel for the other agencies that had to reduce personnel and cut into the muscle of other programs."



The Prairie Crest Trail, located behind the offices of the Missouri Department of Conservation, is a reminder of the department's mission, the preservation of Missouri's land and wildlife.

One of the stops on the trail is a wildlife pond where Wood Ducks build homes in nest boxes.

Department of Elementary and Secondary Education



Dr. John Moore, Jr.

Proposition C cushions \$3.2 million budget cuts

By A. John Baker
Editor-in-Chief

MISSOURI CITY — Budget cuts to the Missouri Department of Elementary and Secondary Education amounted to \$36.2 million, but unlike some executive branches of the state government the impact of those cuts will be cushioned somewhat by the passage of Proposition C by voters in the general election on Nov. 2.

The proposition provided a one cent sales tax addition and that money is earmarked for education.

"Yet this year we expect about \$77 million to be available for Missouri schools. Half of that, however, and half of all the money received is used to reduce property taxes at the local level," explained Dr. John Moore, Jr., assistant commissioner in the Division of Administration for the Missouri Department of Elementary and Secondary Education.

Moore then told how the monies would be used to improve teachers' salaries throughout the state.

"Next year, for fiscal year 1984, there should be, we estimate now, about \$272.6 million from this additional sales tax to be available for the schools, again half of which has to be used to reduce property taxes. And I think that teacher's salaries will increase as a result of this. This clearly was the intent. A strong priority of education has been to improve teacher salaries and Proposition C was certainly intended for that purpose.

"There is a requirement that a major portion of the money go into the teachers' fund which I think speaks specifically to the intent that it be used for teachers' salaries, and we certainly have reinforced that intent at every

opportunity, as we talk to school districts."

No new programs are foreseen by Dr. Moore. "There may be some positions restored as a result of the additional money where cuts have been made, but I think the restoration of positions and the improvement of teachers' salaries are probably the major effects we will see as a result of the new law," he said.

Improving teachers' salaries will in the long run improve existing programs, according to Moore. This will be accomplished by attracting and retaining "good competent people to the ranks of teachers in Missouri."

Although teachers should receive pay hikes and that in turn should improve the quality of programs and education in general, more will have to be done in order to influence teachers to come and stay in the Missouri system.

"That by itself is simply not going to do it. It is going to take a continued effort on the part, I think, of the General Assembly to find state aid, to add to that state aid appropriations to the foundation program, as it is called."

Voters passed the one per cent sales tax increase by a 57-43 per cent margin. When asked how he interpreted those figures Dr. Moore replied:

"Well, first I think it is a plus. It passed. It would have been discouraging, I think, had it not passed.

"I think it reflects the fact that people in Missouri and in other states are still ready to vote for an increase in their taxes, if they know exactly what it is going to be used for. If that had been a proposal that had to be voted on by the people to put a penny into general revenue for the legislature to allocate, I don't think it ever would have been appropriated because, and this is a sad commentary, that reflects frustration with higher taxes. Maybe concern about the

General Assembly to adequately represent people.

"That's a troubling thing to say, but if we look at precedents, in 1976 the people in Missouri voted for an earmarked one-eighth of a cent for conservation, and it was voted and passed, and that represented, I think, the confidence the people had in the ability of the Conservation Department. The job it had, the good reputation it had enjoyed, and they were ready at that time to vote for that earmarked one eighth cent, put it in the state constitution's log, but I think it reflects the continuing concern about education.

"I think it reflects the troublesome nature of the cuts the governor had to make. You know people were worried about what will that imply for our schools, our teachers, our kids, our grandkids, and I think people in Missouri want and expect good schools.

"And I think this is an indication that a number were willing to vote and say, 'Hey, we'll pay for them.'

"It also undoubtedly reflects the fact that there is a sweetener built into the package, a property tax roll-back. Nobody likes property taxes. Nobody likes any taxes, but they dislike them more than other taxes they pay. Whereas a penny sales tax seems less painful because you pay it out a penny or two or a nickel at a time, and you don't see it going, but in fact it's a big revenue tax."

Money from Proposition C is going to help the Department of Elementary and Secondary Education to survive this financial crunch and teachers should benefit through salary increases, but there are other problems within the system involving programs that have been continuously cut over the last three years.

"We are no longer cutting out what anybody could construe as things that are not necessary, luxuries, fat, whatever you want to call them. We are down to the pro-

grams.

"The choices we have now are which programs, what service do we cut, and that's true in many programs.

"The payments we make to private agencies to educate severely handicapped children, we are not paying them adequately in many cases, and they're concerned about it. The aid we provide to sheltered workshops, again for handicapped people who are unemployed, it is down. So all of these are real live issues. They're program issues; they're service issues; they are people issues."

There are other things being considered to improve education throughout the state in addition to improving teachers' salaries with monies from Proposition C.

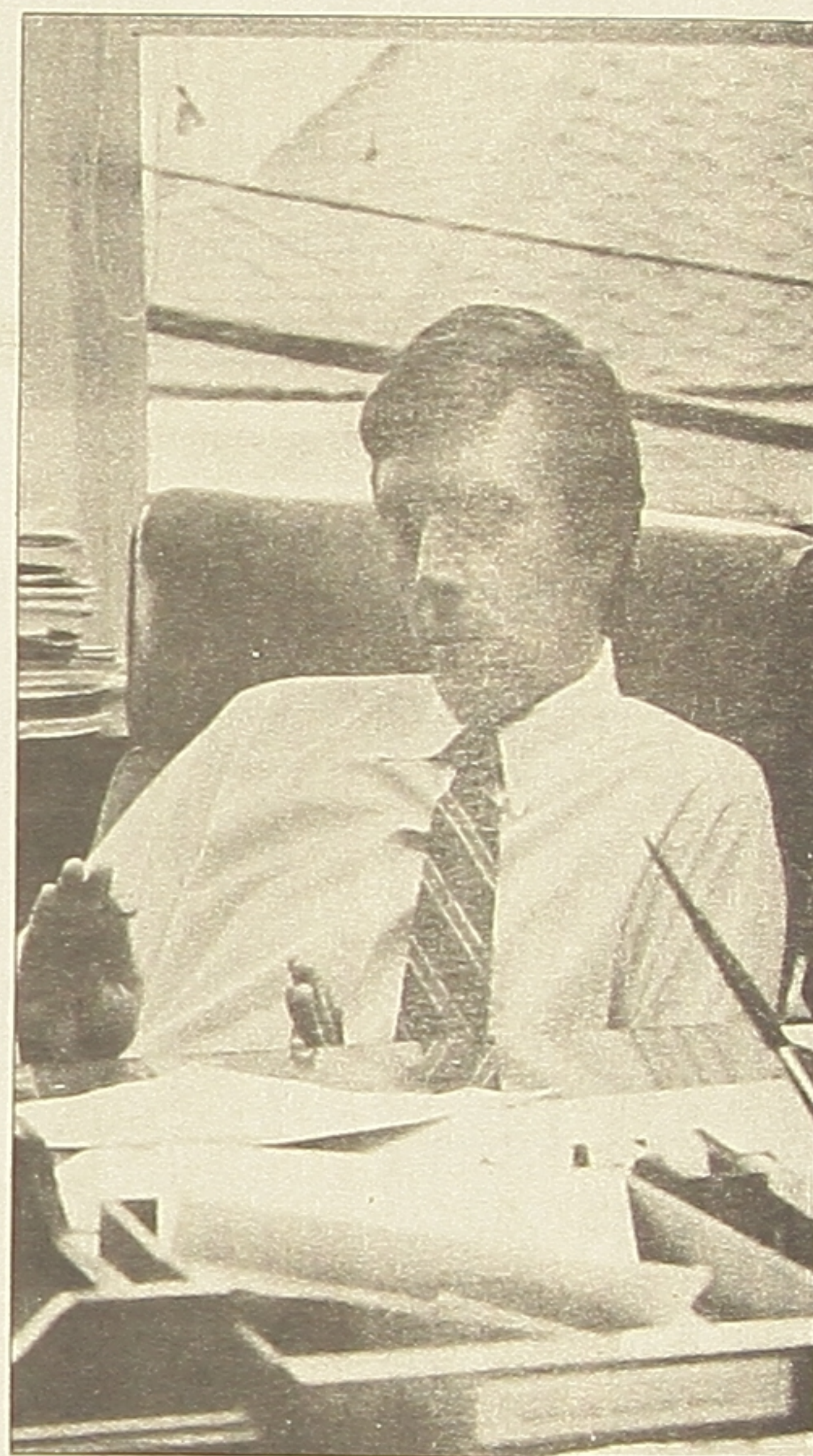
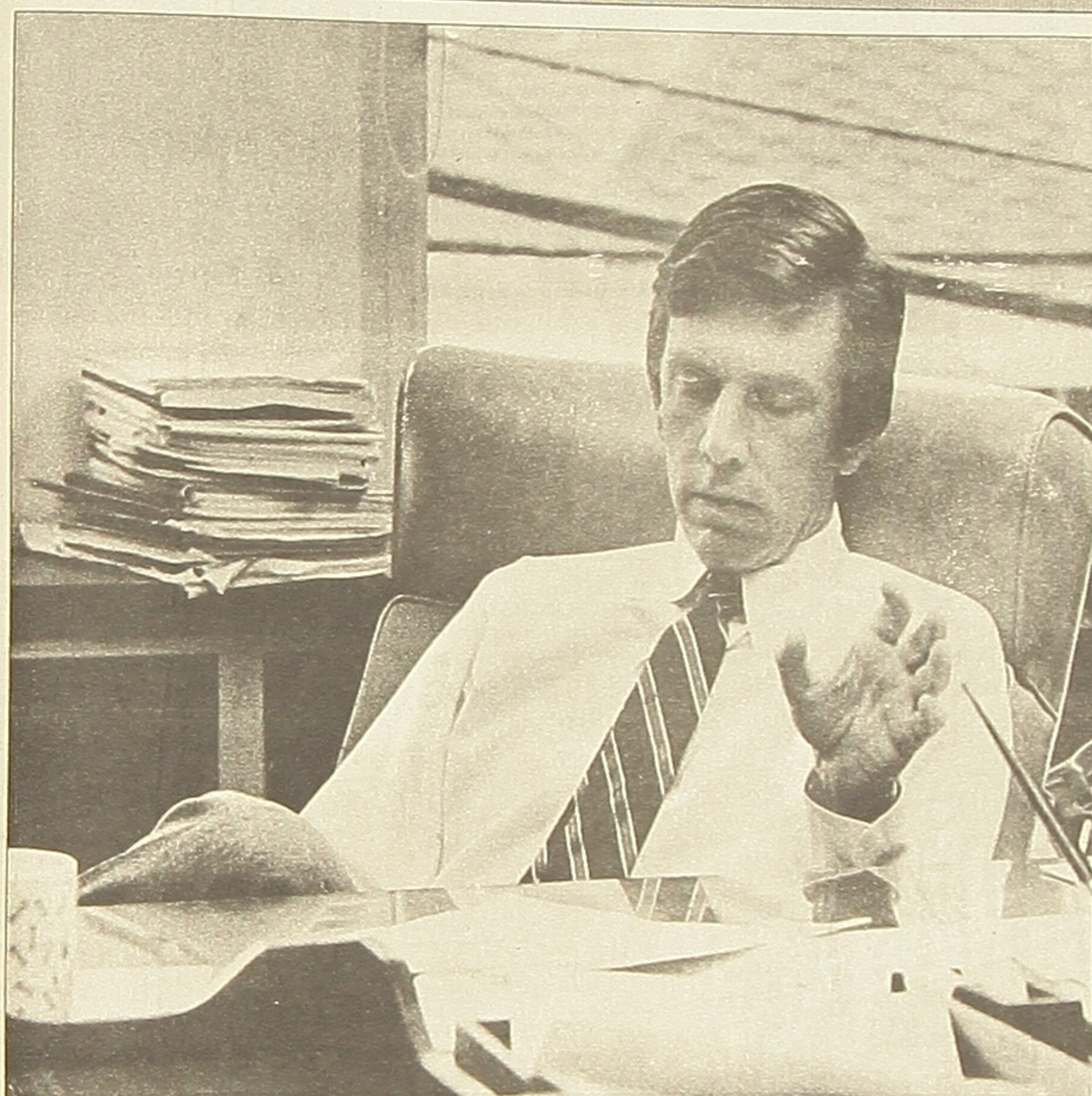
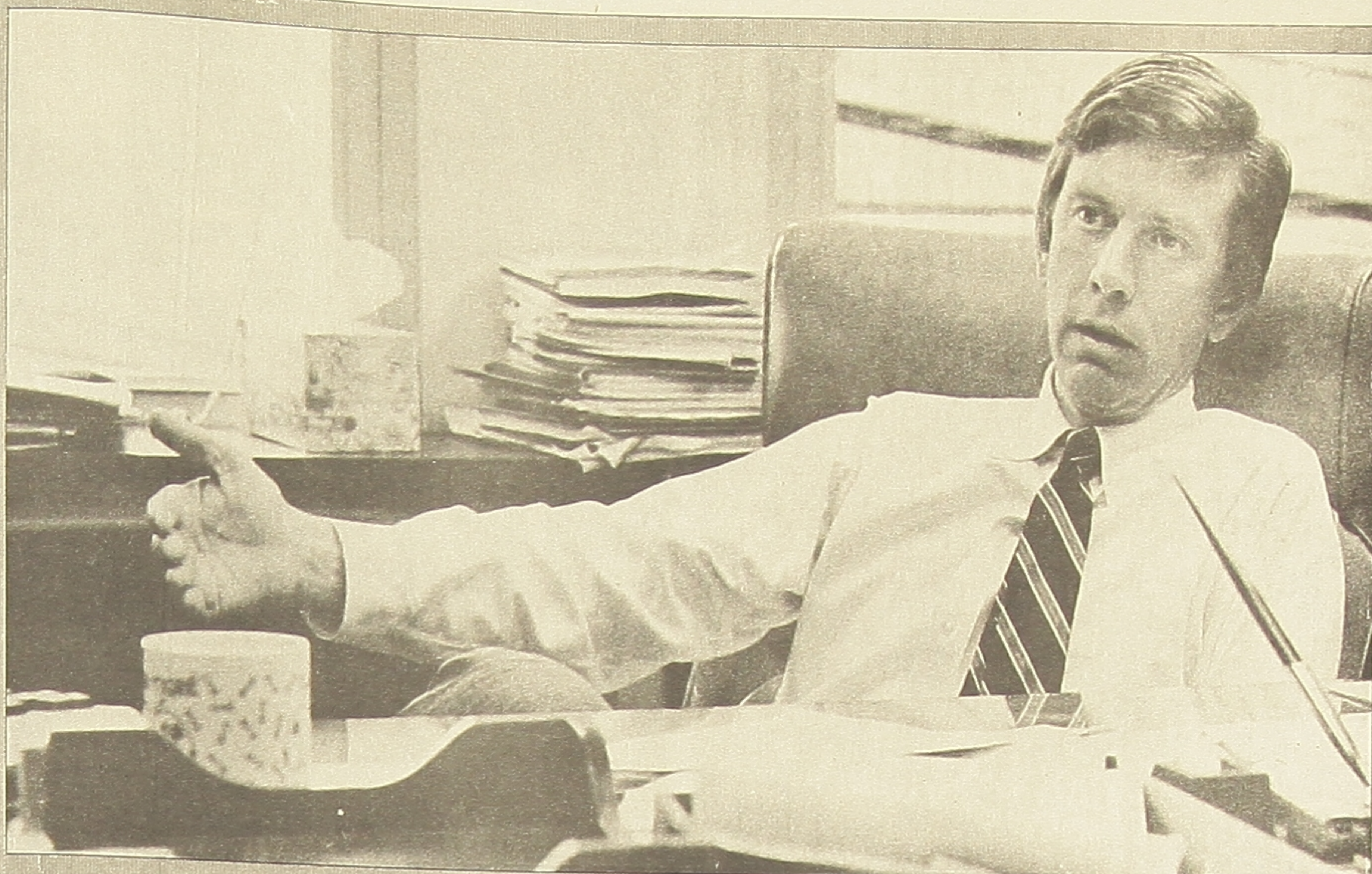
At this time certain proposals are being discussed and have a good chance of getting before the General Assembly. The idea is to change the issuance of the teaching certificate to some type of renewable license.

"The purpose is to help improve and raise standards of the public schools, to insure that teachers are up-to-date, have been back to school, that they've kept current on methods, content. I'm not, you know, the best expert to talk to about this, but that is generally the rationale.

"Let's say you graduate from college, in a couple of years you get a license to teach, you might teach for a year or two, be out, raise a family, be away for 20 years and decide you want to come back to teaching. You could walk back in and teach. You could do it effectively, but the odds are, I think, that if you had some kind of updating you'd probably do a more effective job.

"So there is going to be a lot of debate over that issue this winter. It will be in the General Assembly and we're supporting that concept, certainly."

Department of Social Services



Barrett Toan

By Kelli Pryor
Chart Staff Writer

MJEFFERSON CITY—Barrett Toan, director of the Department of Social Services, says his department kept services at the same level with a "one-time solution" despite budget cuts of \$22 million.

Surplus federal funds were spent on programs, enabling them to continue. General revenue funds were put into reserve.

"To maintain the level next year," Toan said, "we will have to seek and receive general revenue funds to replace the federal block grants."

Legislators indicate that programs to children and public health programs will not suffer in the upcoming year, Toan said.

Medicaid, the department's largest program, representing 40 per cent of its budget, escaped the general revenue budget cuts. Cost saving plans were put into effect, however.

The department "did not necessarily

reduce services or the number of people served," Toan said. Welfare eligibility is determined by state statute so social services set limitations on the type of ailments, the payment for specific treatment and the length of time spent in the hospital for a certain medical need.

In the past, Toan said, Missouri had paid for a longer-than-average stay in the hospital, but now the state will pay only for the average stay associated with a treatment, barring complications. According to Toan, the program has saved the state millions.

The department also initiated a system in which welfare recipients seeking an optional treatment, such as dentures, must first be examined and receive prior authorization from a state employee.

General relief recipients in St. Louis were put on a "Fee for Service" system which saved the state \$1 million. Earlier, Toan said, the state had been spending an average of \$235 a month on each of the 1,700 persons. The state set the amount of \$178 for medical treatment for the month. The system gave doctors the

incentive not to treat "problem patients" every time they showed up complaining, Toan said.

Aid to Families with Dependent Children received a five per cent increase in funds in July. It exceeded its appropriated funds of \$167.1 million and supplemental funds will have to be sought, Toan said. Currently, 63,000 families are receiving aid.

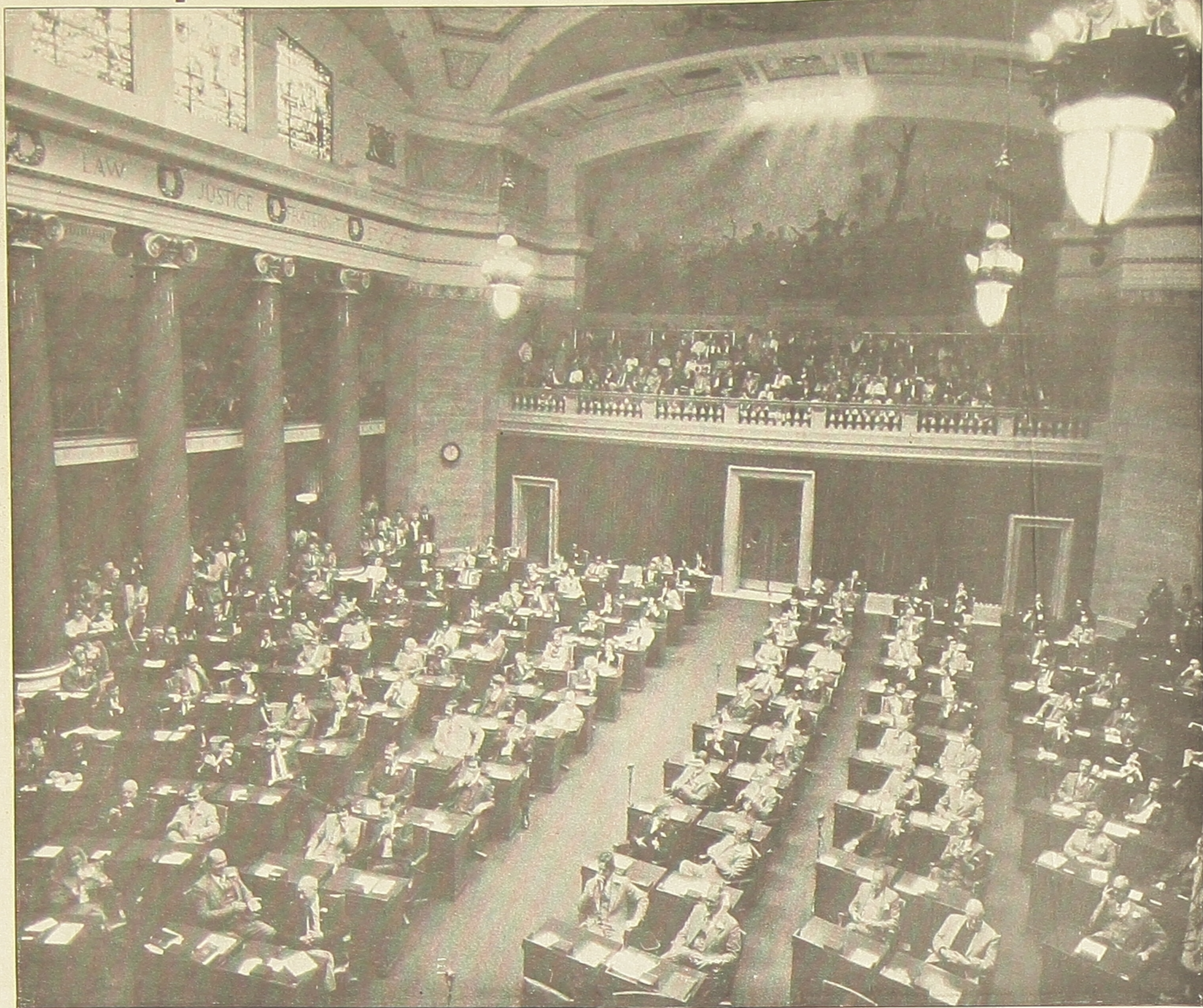
Because of eligibility changes on the federal level, the number of people served by welfare actually decreased. Unemployment had only a slight affect on welfare because Missouri welfare goes only to single women with children. No men are on welfare.

A cancer registry is now being advocated by the department. The registry would show correlations between the occurrence of cancer and any environmental factor through data entry.

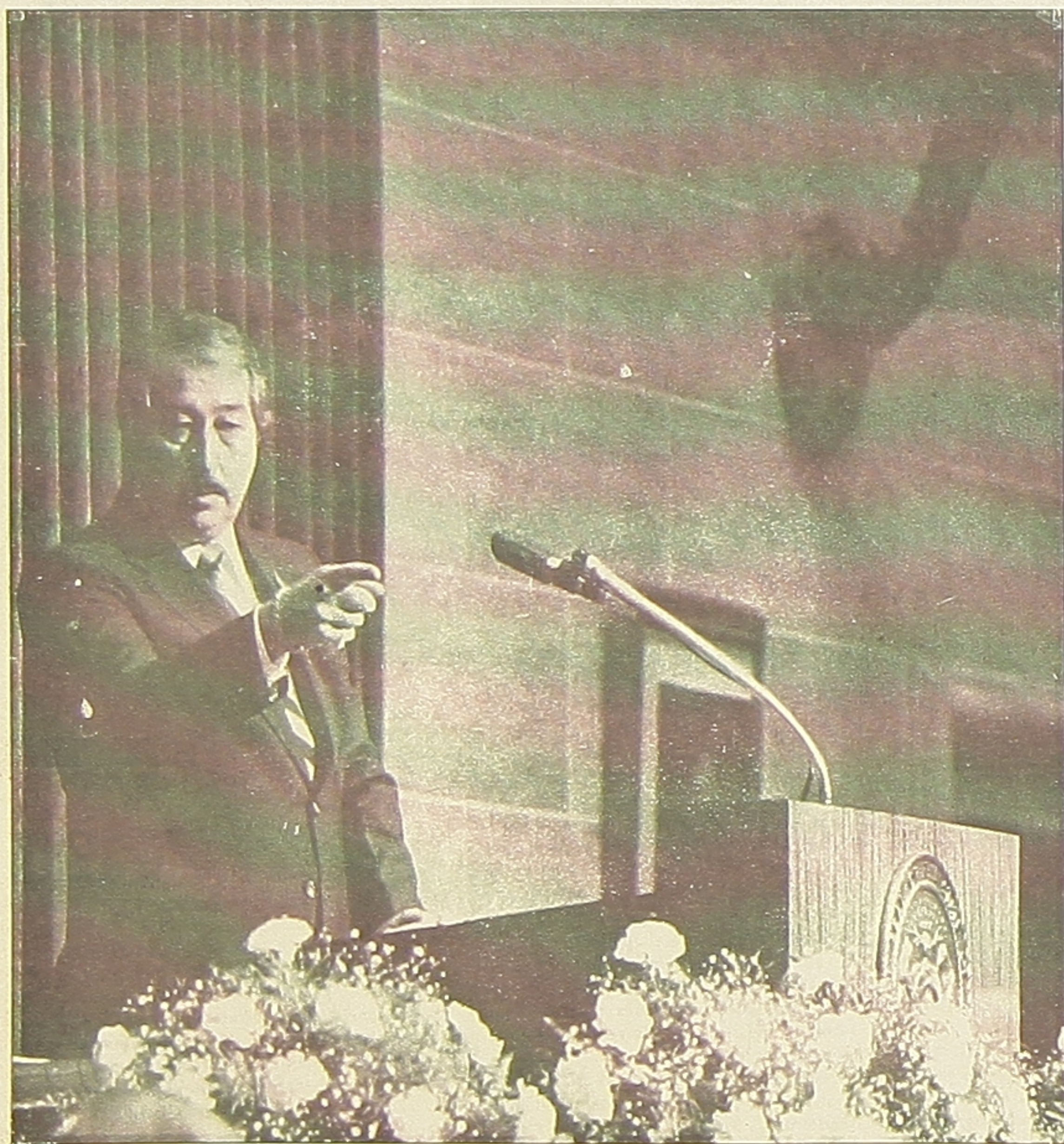
Social services will survive the tight financial system, Toan says, through "requirements for receiving services becoming more restrictive," more cost-saving measures and "maintaining the historical federal matching rate," if possible.

Social Services suffers cuts of \$22 million

House of Representatives



Griffin urges immediate action on fiscal problems



Bob Griffin, Speaker of the House of Representatives recognizes a motion during the opening session of the House. All 134 representatives attended the opening session of the Missouri House on Jan. 5.

By Jay Taylor
Chart Staff Writer

MISSOURI—Money and the way it is acquired were the biggest subjects in the opening session address to the 82nd General Assembly by Bob Griffin, Speaker of the House of Representatives.

"The Missouri House of Representatives will give immediate attention to the state's fiscal problems," Griffin said, "supporting with legislation, when necessary, its efforts to ease the fiscal crisis while maintaining vital services."

Using the financial crisis means improving tax collection procedures, said Griffin. Besides a cash management program, a fair tax structure was proposed in the speech.

Griffin expressed the opinion that Missouri's individual taxpayers and small corporations pay a disproportionate share of taxes collected. One solution suggested is a flat-rate income tax, which has gained attention across the state. A set percentage rate would be assigned and gross income would be multiplied by it after deductions.

Studies have shown that this method would increase the state's income by \$60 million a year. But it has also been said that a flat rate tax would shift the burden substantially to lower and middle income earners.

Griffin continued by saying that Missouri should continue its low tax base. He also stressed that tax reform would not scare business and industry from locating in Missouri. However, he commented that no tax increases should be made so long as there is evidence of fiscal waste and mismanagement in the state government.

Griffin also announced the formation of four new committees dealing with tourism, reassessment, women's rights, and children and families.

The first, Committee on Tourism, Recreation, and Cultural Affairs, will attempt to make Missouri better known for its recreational facilities and offerings to the tourist. Tourism is the state's second largest industry, and Griffin points to his recent trip to Japan and Taiwan with Gov. Bond as making him aware of what needs to be done to make Missouri more attractive to tourists.

Secondly, the Committee on Property, Equalization, and Classification will attempt

to coordinate the job of reassessment across Missouri and define the rates to be established for the three major classes of property. These major classes are business, homes, and farms.

The committee, headed by junior House member Estil Fretwell, will also attempt to figure out how to eliminate the merchants and manufacturers tax on business inventory and replace it with higher property taxes on businesses.

The third committee is an answer to the Equal Rights Amendment which failed to pass last year. The Committee on Human Rights and Resources for Missouri will attempt to meet some of the complaints that women have expressed concerning fair and equal treatment. The committee, even though not stated as such, has the emphasis on women's rights, not minorities.

The fourth and final committee on Children, Youth, and Families will attempt to rectify some of the problems created by the recession and state and federal cutbacks of child care programs. Griffin said the need for the committee is based on the increase in the number of abuse and neglect cases of children in Missouri.

Griffin also took the opportunity to call for the building of new prison facilities which he claims are now "overtaxed and dangerous." In addition, he said, the session must deal with demands for improved criminal justice and called for a witness protection law, and for a change in drunk driving laws.

Attacking a problem that rears its head this time of year, Griffin called for controls on the deregulation of natural gas, as many people have been unable to pay and have had their service cut off. Some suggestions are to make all fuel price increases subject to Missouri Public Service Commission review.

The final issue Griffin discussed was the problem of dioxin in Missouri and, in particular, at Times Beach. The flooding of the Meramec River uncovered dangerous levels of dioxin at Times Beach, the dioxin resulting from using waste to pave roads with during the early '70s. There are now 14 sites of dioxin contamination in the state, said Griffin.

Griffin concluded his speech by attempting to dispel the sentiment that this session was going to be "dull and uninspired." "This session is not going to be dull," he said, "and we can't afford for it to be unproductive. I assure you that there is plenty of work."

Fiscal affairs and crime biggest issues in Senate this session

By Jay Taylor

Chart Staff Writer

MJEFFERSON CITY—As the Missouri General Assembly opened its new session one matter was to emerge as the most vital—financing. Sen. Richard M. Webster, who represents this district, sees the issues of money and law and order getting top billing in this session of 1983.

"The pressing issues in this session are all going to involve financing. This is a session in which there will be no 'dynamic' programs introduced because we don't have the money to start new programs. We will be looking at existing programs to see which ones can be modified or phased out."

One of the items that will be discussed will be the \$600 million dollar bond issue that was approved last year, Webster said. One of the

things that is to be funded by this money will be the completion of Matthews Hall at Missouri Southern.

Though certain projects, such as the building at Southern, are already slated to receive money from this bond issue, the question has arisen on whether or not to proceed with the selling of the bonds, or wait until the economy improves.

"First," Senator Webster explained, "we have to determine where we are going to spend the money. Then we have the question of whether to go ahead and sell the bonds, go into the construction or whatever, when we are not exactly certain how we are going to pay for the bonds. Or do we wait for the economy to turn around?"

When Webster speaks of the economy turning around, he has a certain theory why it has not already done so.

"The revenue picture in Missouri is rather

interesting, in that we have had nine consecutive level months of sales tax collections, where there has been very little change since a year ago. However there has been a 16 percent increase in income tax collections. It would appear that the general public is making more money, but is not spending it."

To further bolster this theory Webster points to the fact that savings, money markets, and certificates of deposit are at the highest level in the history of the state.

"This tells us," Webster said, "that the necessary factors for an economic turn around are there. The public is just waiting until they feel more confident to spend the money."

It is this kind of economic turn around that the legislature is depending upon to give the go-ahead for the bonds. It has been proposed that the bond issue should be put aside, to be

decided upon at the end of the fiscal year, which will be June 30.

One thing that will continue to receive attention will be the problem of crime in Missouri. Webster feels that the time is right for new crime legislation, and many of the bills being introduced are dealing with this subject.

"We have a climate in the Missouri Senate which would make it possible to pass more anti-crime bills than previously because many of the senators that opposed such legislation are no longer with us."

One of the points being brought up concern the age of an offender and where the line should be drawn as to when he should be held fully accountable for his actions. Webster sees the attitude for protecting younger criminals changing.

"The age of a juvenile is an arbitrary figure. Today's generation is much more

mature at the age of 14 than my generation was at the age of 18. So the question comes up that is there something magic about the age 17, which is the age at which you can be tried as an adult. Does a 15-year-old who can operate a computer and take an automobile have free rein to murder and rape and get away with it? Now I feel that there is a greater consensus that there should be more responsibility on the part of teen-age criminals."

No matter what the concern is, the money must come from somewhere to support such programs. Webster sees a tax increase as a poor possibility, because of the passage of the Hancock amendment that states all tax increases must be voted on by the taxpayers. The only thing to do, said Webster, is to watch and wait for an upswing in the economy to get the money flowing again.



In The House

Representative Robert Ellis Young, Rep.-Carthage, Mo., nominates the minority leader of the House as Speaker of the House during the opening session of the Missouri House of Representatives Jan. 5.

The nomination was mostly an honorary gesture since Democrats hold a majority in the House. Elected as Speaker of the House was Bob Griffin, a Democrat.

Tax increases may be only means for House to achieve goals

By Jay Taylor

Chart Staff Writer

MJEFFERSON CITY—In the State House of Representatives, as in the Senate, the biggest issues this session will be funding and law and order. William L. Webster, State Representative for Jasper and Newton counties, sees an increase in taxes as the only way to achieve the goals being set.

"There's going to be a major effort to modify the Hancock amendment and do away with the spending lid that the taxpayers voted in a few years ago. I also feel there will be a major effort to raise taxes. Last year we saw a tax reform bill that would have raised taxes, and I think that we will see something

like that again this year."

The tax reform bill that was proposed last year would have been an all-encompassing one and would have included income taxes, sales taxes, and corporate income taxes. Many people want to see the role of the government expanded, and the only way to do that is to increase taxes.

"We are living in the physical constraints of only being able to spend what we take in, and there are those who would like to see the role of state government expanded. To increase the role played one must increase the amount of revenue."

Webster himself goes on record as being against the tax increases, as many others in

the capital.

"But I believe that tax increases are going to be a major battleground in this legislative session," said Webster.

One part of the tax reform bill last year included a provision for restructuring from the six per cent income tax now used to a scale that would go up to 12 or 13 per cent. However, any tax increases would rely heavily on how much the Hancock amendment is modified.

The other major part of the legislature will deal with the criminal justice system and prison reform. Included in this prison reform, Webster said, will be an effort to increase prison space.

"I think there will be a move to increase the amount of prison space that we have. This has reached crisis proportions, as the population of the prisons has increased dramatically. The Supreme Court has intervened and said that there must be humane conditions in the prisons, which means that if you have overcrowding you have to let the convicts, in essence, out the back door."

On the other side, bills have been introduced, some of them by Webster, to modify the insanity plea and to give more rights to the victims of crime. Other bills deal with giving a flat sentence to criminals convicted of certain crimes. Webster feels however, that even

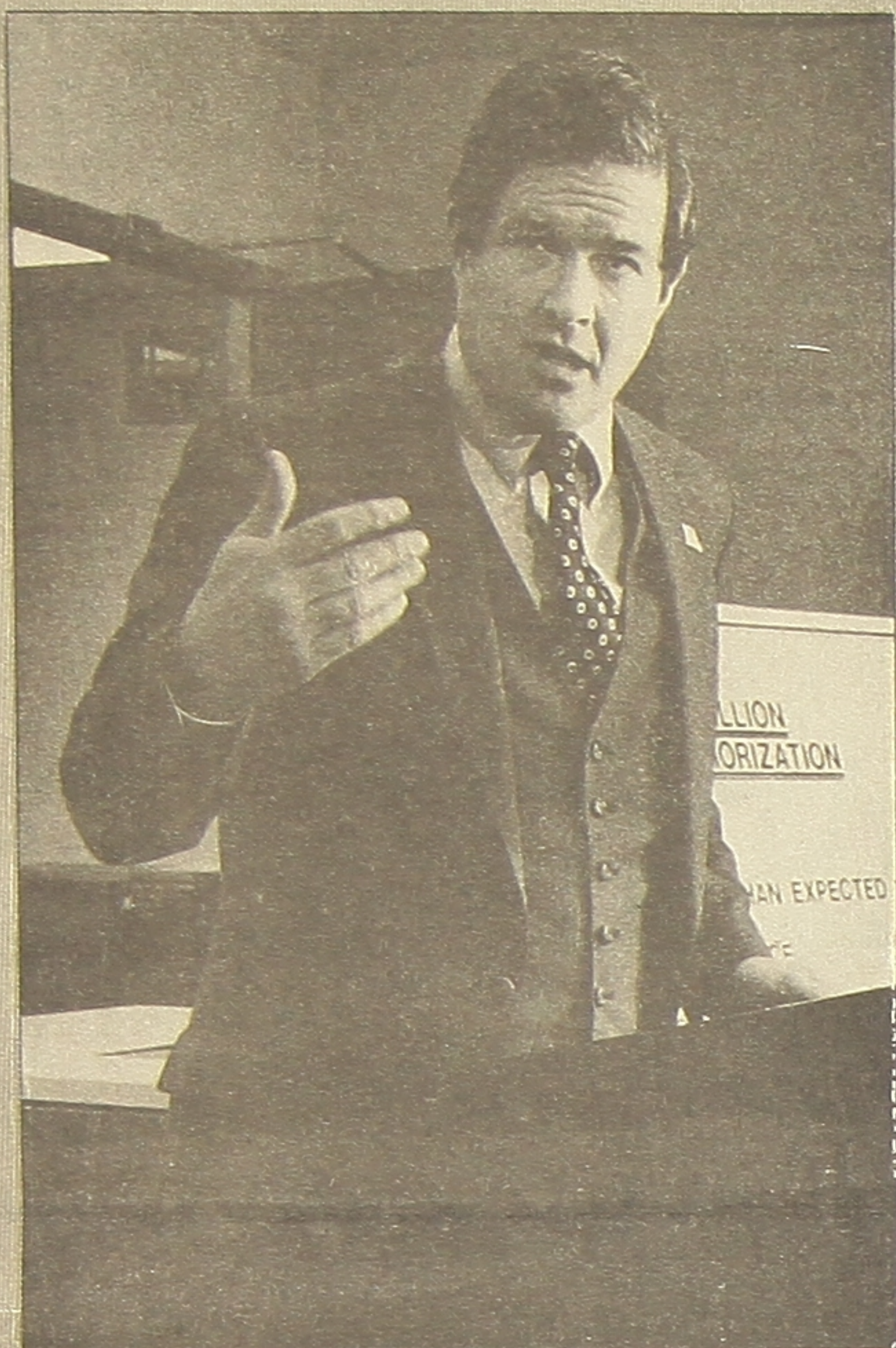
though this may sound like a good idea, with the present prison conditions it isn't.

"If you have these offenses that have mandatory fixed sentences and you've got to keep them in, you are going to have people on indeterminate sentences, those who have committed crimes just as bad going free to make room for those who have to stay in. If we are going to claim that we are doing the job to protect the public, we are going to have to bite the bullet and build more prisons."

Of course there are close to 400 bills in the House this session, dealing with subjects from natural gas to children's car seats.

"But," Webster said, "what it comes down to this time is money and law and order."

The Governor



Gov. Christopher Bond, in a press conference at Matthews Hall last week, said \$2.4 million would be asked to complete Matthews Hall. The \$2.4 would be part of the package Bond will submit to the State Legislature for issuance of bonds under the state's \$600 million bond issue.

Governor calls appropriations for flood area 'first priority'

MISSOURI CITY—In his annual "State of the State" address to the General Assembly, Gov. Christopher S. Bond emphasized these points:

The first order of business for the 82nd General Assembly will be dealing with the recent flooding which caused millions of dollars in property damage and the hazardous waste crises concerning the chemical dioxin.

The state government will finance immediate assistance for individuals and families. These grants are a cooperative federal-state effort of which the state will pay 25 per cent. Bond urged immediate appropriation of \$2.9 million in state matching funds for the victims of the 1982 flooding in western, eastern, and southeastern Missouri. Bond also again stressed the importance of

the EPA Superfund to be used to find a permanent solution to the contamination of the areas where dioxin has been detected and that EPA accelerate its testing process on samples from throughout Missouri.

The Governor also discussed the problem of Times Beach, the site of EPA testing for dioxin on roadbeds, which was virtually destroyed by flooding and the fact that the President agreed to his proposal about immediately establishing a federal task force representing all appropriate agencies and that the president designated a single federal agency and official to take the lead responsibility in Times Beach. The Governor also reported that he has requested that all Missouri dioxin sites be considered together for EPA Superfund purposes.

Bond also proposed various commitments of Missouri. First, he proposed appropriation

of \$1 million for state match of federal superfund monies. He then spoke about his proposal of adding five new environmental health officers to the Division of Health and two more environmental health officers next year. His third proposal was to immediately add a hazardous waste criminal investigator and three environmental landfill specialists to the Department of Natural Resources. His next proposal concerned the adoption of legislation establishing a "Missouri Superfund" by increasing fees on hazardous waste generators, transporters, and waste site operators. Finally, the Governor discussed his announcing in the near future a Governor's task force to develop a permanent solution to the dioxin crisis in Missouri.

The Governor then outlined a program of economic development initiatives, including such topics as a major national advertising

program, an enterprise zone act, and economic developing act, and industrial development funding authority, and a research assistance act.

Bond then spoke about his belief that the most significant accomplishment of 1982 was the enactment by the people of Constitutional Amendment No. 1 last June. He then proposed that the public authorize for fiscal year 1984 \$225 million of additional projects. Then he listed his reasons for this proposal as there being a need for a comprehensive jobs and economic development program, and that the projects made possible by Amendment No. 1 will improve the quality of life and help Missourians attract new jobs. His two additional reasons included the fact that the debt retirement cost for the accelerated issuance would actually be less than had been originally projected for a more modest is-

suance of \$100 million, and that Missouri's dollars could be stretched further because construction costs would never be lower than that during the prolonged recession.

The Governor then proposed two courses of action to meet the continuing budget challenges. The first was a series of cash flow measures and the second was a series of revenue collection improvements.

The Governor then spoke his belief that the funding commitment of more than one billion dollars of state aid to local schools carries with it an implied commitment on the part of Missouri educators to do all that is possible to improve quality and accountability in public education.

In conclusion of his address, Bond outlined various proposals to help the children and the elderly, increase revenue collections and fight crime.

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